

PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

May 18, 1989

TO : DIRECTOR OF RECORDS AND REPORTING

FROM : DIVISION OF APPEALS (HAROLD) *LHN/KP DSCM*
DIVISION OF ELECTRIC AND GAS (MILLS, MCCORMICK) *RLT*
DIVISION OF RESEARCH (KRUGER) *BPK*

RE : DOCKET NO.: 890382-GU, REPEAL OF RULES 25-7.056 AND 25-7.082, AND
AMENDMENT OF RULES 25-12.005, 25-12.043, 25-12.044, AND 25-12.046,
FLORIDA ADMINISTRATIVE CODE, RELATING TO GAS SAFETY RULES

AGENDA: 05/30/89 - CONTROVERSIAL AGENDA - PROPOSED RULEMAKING

PANEL : FULL COMMISSION

CRITICAL DATES: NONE

RULE STATUS DEADLINE: PROPOSAL MAY BE DEFERRED

ISSUE AND RECOMMENDATION SUMMARY

ISSUE 1: Should the Commission propose to repeal Rule 25-7.056, Florida
Administrative Code, entitled "Installation Practices"?

RECOMMENDATION: Yes, the rule should be repealed. The Commission's statutory
authority ends at the customer side of the meter set assembly.

ISSUE 2: Should the Commission propose to repeal Rule 25-7.082, Florida
Administrative Code, entitled "Utilization by Customers"?

RECOMMENDATION: Yes, the rule entitled "Utilization by Customers" is outdated
and should be repealed.

DOCUMENT NUMBER-DATE
04964 MAY 18 1989
FPSC-RECORDS/REPORTING

MEETING NO. 1000-20
May 15, 1959

ISSUE 3: Should the Commission propose to amend Rule 25-12.003, Florida Administrative Code, to incorporate the current United States Department of Transportation regulations by reference and to delete references to the National Fire Protection Association's standards?

RECOMMENDATION: Yes, the Commission should amend this rule to incorporate the current federal regulations by reference and repeal the reference to the National Fire Protection Association's standards.

ISSUE 4: Should the Commission propose to amend Rule 25-12.043, Florida Administrative Code, to provide that an operator may decline to provide gas service to a customer until the customer complies with all applicable gas codes?

RECOMMENDATION: Yes. The rule should be amended as indicated.

ISSUE 5: Should the Commission propose to amend Rule 25-12.044, Florida Administrative Code, to provide that a gas operator may decline to provide gas service to a customer until the customer complies with all applicable gas codes?

RECOMMENDATION: Yes. The rule should be amended as indicated.

ISSUE 6: Should the Commission propose to amend Rule 25-12.045, Florida Administrative Code, to provide that a gas operator may decline to provide gas service to a customer until the customer complies with all applicable gas codes?

RECOMMENDATION: Yes. The rule should be amended as indicated.

ISSUE 7: Should the Commission propose to amend Rule 25-12.046, Florida Administrative Code, to provide that a gas operator may decline to provide gas service to a customer until the customer complies with all applicable gas codes?

RECOMMENDATION: Yes. The rule should be amended as indicated.

BACKGROUND

Recently, the Commission staff has received several inquiries regarding gas appliance approval and installation practices past the meter set assembly.

The provisions of section 368.05 (3), Florida Statutes, provide:

The jurisdiction conferred upon the Commission by this Chapter does not extend to the distribution of gas beyond the last meter prior to consumption.

Notwithstanding this statutory provision, some of the rules related to gas service make reference to appliance installation.

After reviewing the rule provisions, staff believes it is appropriate to remove the references to appliance installation, etc., so that it is clear from reading the rules that the Commission's jurisdiction ends at the outlet of the customer's last meter set assembly prior to the consumption. We note that the current Commission rules, in 25-12.002(6), F.A.C., provides that:

Nothing in these rules shall be construed to make the operator liable for the condition or maintenance of piping and appliances beyond the outlet of the operator's meter other than ascertaining that required tests have been made; nor shall the operator be held liable for continuing duty of inspection of such piping or appliances.

CONCLUSION

The best course of action is to amend the rules to remove the references to appliance installation, etc., as indicated herein.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose to repeal Rule 25-7.056, Florida Administrative Code, entitled "Installation Practices"?

RECOMMENDATION: Yes, the rule should be repealed. The Commission's statutory authority ends at the customer side of the meter set assembly.

STAFF ANALYSIS: This rule makes reference to appliance installation and piping practices. This is past the outlet of the meter set assembly and is therefore not subject to FPSC jurisdiction. The authority to approve appliances rests with the local building code official. Authority over local building codes is vested in local governments by Chapter 553, Florida Statutes, which provides, in part, that "...the state shall not interpose in the area of local housing codes..." (see section 553.73(6), Florida Statutes).

Most local jurisdictions have adopted the standards gas code as part of the standard building code or one of the other state minimum building codes required by Part 6 of Chapter 553, Florida Statutes.

ISSUE 2: Should the Commission propose to repeal Rule 25-7.082, Florida Administrative Code, entitled "Utilization by Customers"?

RECOMMENDATION: Yes, the rule entitled "Utilization by Customers" is outdated and should be repealed.

STAFF ANALYSIS: Staff recommends repeal of this rule since it refers to installation of gas appliances and the supply piping which occurs past the outlet of meter set assembly.

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ISSUE 3: Should the Commission propose to amend Rule 25-12.005, Florida Administrative Code, to incorporate the current United States Department of Transportation regulations by reference and to delete references to the National Fire Protection Association's standards?

RECOMMENDATION: Yes, the Commission should amend this rule to incorporate the current federal regulations by reference and repeal the reference to the National Fire Protection Association's standards.

STAFF ANALYSIS: Various amendments to the Code of Federal Regulations for Parts 191 and 192 of Title 49 have occurred from May 24, 1984 to May 24, 1988. By referencing the more current date, these rule changes are adopted by reference in the Commission's rule. A copy of the various amendments are attached.

Staff believes the reference to the National Fire Protection Association's standards are unnecessary and therefore subsection (2) of Rule 25-12.005, Florida Administrative Code, is proposed to be deleted.

ISSUE 4: Should the Commission propose to amend Rule 25-12.043, Florida Administrative Code, to provide that an operator may decline to provide gas service to a customer until the customer complies with all applicable gas codes?

RECOMMENDATION: Yes. The rule should be amended as indicated.

STAFF ANALYSIS: The proposed amendment to Rule 25-12.043 is designed to remove the reference to piping and appliance installation consistent with the other changes recommended herein.

ISSUE 5: Should the Commission propose to amend Rule 25-12.044, Florida Administrative Code, entitled "Interruption of Gas Service", to delete subsection (2) in its entirety?

RECOMMENDATION: Yes, the rule should be amended as indicated.

STAFF ANALYSIS: The staff recommends that Rule 25-12.044(2), Florida Administrative Code, be deleted so that the reference to the customer's piping or appliances is removed from the rule.

ISSUE 6: Should the Commission propose to amend Rule 25-12.046 to delete the reference to supply piping and gas appliances?

RECOMMENDATION: Yes, the rule should be amended as indicated.

STAFF ANALYSIS: The staff recommends that Rule 25-12.046(1), Florida Administrative Code, be amended to remove the reference to supply piping and gas appliances.

ECONOMIC IMPACT

The Economic Impact Statement is attached (pages 7 - 12). The above-noted changes to the rule are not expected to impose any material costs on the FPSC or the gas utilities. Gas utilities are already required to conform with the federal Department of Transportation regulations. By removing references to appliance standards and piping practices, the inference of some PSC jurisdiction in this area is removed.

The Commission should propose the rule repeals and amendments as indicated herein.

WHH:kp (9053G)

MEMORANDUM

April 13, 1989

TO: DIVISION OF APPEALS (HARROLD)
FROM: DIVISION OF RESEARCH (KRUGER) *BPK NPC YMB*
SUBJECT: ECONOMIC IMPACT STATEMENT FOR PROPOSED REPEAL OF RULES
25-7.056, INSTALLATION PRACTICES, AND 25-7.082, UTILIZATION BY
CUSTOMERS; AND AMENDMENT OF RULES 25-12.005, CODES AND
STANDARDS ADOPTED; 25-12.043, INITIATION OF GAS SERVICE;
25-12.044, INTERRUPTION OF GAS SERVICE; AND 25-12.046,
UNAUTHORIZED UTILIZATION OF GAS FACILITIES, FAC.

SUMMARY OF THE RULE

Currently, Rule 25-7.056, Installation Practices, states that gas piping and appliances must be installed in conformance with standards required under Rule 25-12.005, Codes and Standards Adopted. Rules 25-7.082, Utilization by Customers, and 25-12.043, Initiation of Gas Service, require natural gas utilities to test all customer piping and appliances for safety prior to initiation of service. In addition, Rule 25-7.082 relieves natural gas utilities from liability for the condition, maintenance, or continuing inspection of customer piping and appliances.

Currently, Rule 25-12.005, Codes and Standards Adopted, requires natural gas utilities to comply with the 1984 United States Department of Transportation (USDOT) and various National Fire Protection Association (NFPA) standards concerning gas facilities and transportation. Rule 25-12.044, Interruption of Gas Service, requires that upon interruption of service a valve in the service line must be locked in the closed position or the service line plugged to prevent

further flow of gas. In addition, the rule requires gas utilities to discontinue service to hazardous piping or appliances or take action to prevent further flow of gas as required by Rule 25-12.045, Discontinuance of Services Due to Inactivity. Finally, Rule 25-12.046, Unauthorized Utilization of Gas Facilities, requires utilities to discontinue unauthorized service to customers pending determination that customer piping and facilities meet applicable safety standards.

The proposed rule changes are designed to conform Commission rules to statutory authority, update gas safety standards, codify current practices in the gas industry, and eliminate redundant rules. Repeal of Rules 25-7.056 and 25-7.082 would eliminate reference to customer piping and appliances and the consequent implication of Commission authority over installation and testing of such facilities. The proposed amendments to Rule 25-12.005 would update gas safety standards to the 1989 USDOT regulations applicable to pipeline facilities and gas transportation and delete reference to redundant NFPA standards.

The proposed amendments to Rule 25-12.043 would allow utilities to decline to provide service until customers have complied with all applicable local building codes. Furthermore, the proposed amendment would require utilities to ascertain that a pressure test of customer piping had been conducted prior to activating gas meters and delete references to other utility tests of customer piping and appliances. The proposed amendments to Rule 25-12.044 would repeal redundant language requiring utilities to discontinue service to hazardous piping or appliances, or lock a valve in the closed position or plug the service line to prevent the flow of gas. Finally, the proposed amendment to Rule

25-12.046 would prohibit reestablishment of discontinued service until a pressure test of customer piping had been conducted and the customer had complied with all applicable local building codes.

DIRECT COSTS TO THE AGENCY

The proposed repeal of Rules 25-7.056 and 25-7.082, and the proposed amendments to Rules 25-12.005, 25-12.043, 25-12.044, and 25-12.046 are not expected to impose costs or confer benefits on the agency. Division of Electric and Gas (E&G) staff currently inspect utilities to ensure compliance with federal gas safety standards. The proposed rule changes merely codify the current practice of pressure testing customer facilities.

COSTS AND BENEFITS TO THOSE PARTIES DIRECTLY AFFECTED BY THE RULE

General Discussion. As mentioned above, the proposed rule changes are designed to conform Commission rules to statutory authority regarding gas safety, codify current practices in the gas industry, update gas safety standards, and eliminate redundant rules concerning natural gas safety. Such proposed rule changes are not expected to have economic effects because the changes do not require changes in companies' operating procedures or capital facilities.

Specific Rule Changes. Staff proposes repeal of Rules 25-7.056 and 25-7.082 to eliminate references to customer piping and appliances and consequent implied Commission authority over such appurtenances. According to E&G staff and responses to a telephone survey of selected natural gas utilities, repeal of these rules is not expected to impose

costs on or provide benefits to utilities or their ratepayers because the proposed rule changes would not affect current utility safety practices, or adoption or enforcement of local building codes. Furthermore, the proposed rule changes would not affect the current utility practice of pressure testing customer piping prior to initiation or restoration of service.

The proposed amendment to Rule 25-12.005 would update the rule to incorporate the USDOT gas safety standards as amended through April 4, 1989. According to E&G staff and selected natural gas utilities, adoption of this amendment would not impose additional costs on utilities because utilities have already met the federal standards to comply with federal regulation. The proposed rule amendment would delete specific reference to the NFPA standards because they are included within the USDOT standards.

The proposed amendment of Rules 25-12.043, 25-12.044, and 25-12.046 would modify references to customer piping and appliances to eliminate the implication of Commission authority over such appurtenances. The proposed amendment to Rule 25-12.043 is not expected to impose costs or benefits on utilities or ratepayers because the amendment would not affect adoption or enforcement of building codes by local authorities. The requirement under the proposed amendment that a pressure test be performed on customer piping and facilities codifies current utility practice and, hence, is not expected to impose additional costs on utilities. The proposed amendments to Rule 25-12.044 merely eliminate redundant requirements concerning cancellation of service and, therefore, are not expected to impose costs or confer benefits on

utilities or ratepayers. Finally, the proposed amendment to Rule 25-12.046 is not expected to impose additional costs or confer additional benefits on utilities or ratepayers because it simply codifies the current practice of Florida gas utilities of pressure testing customer facilities prior to restoration of service.

IMPACT ON SMALL BUSINESSES

Compliance with the proposed changes is not expected to affect small gas utilities because the proposed changes codify current standards and testing practices. Therefore, compliance will not impose additional costs or confer additional benefits on small utilities or their ratepayers.

IMPACT ON COMPETITION

Compliance with the proposed changes is not expected to affect competition among gas utilities or between gas utilities and other energy suppliers because the changes codify current standards and testing practices in Florida. Therefore, compliance will not induce changes in energy supplier costs or relative competitive positions.

IMPACT ON EMPLOYMENT

Compliance with the proposed changes is not expected to affect employment in the gas utilities or the general economy because the changes codify current standards and testing practices. Codification of current practices and standards would not alter resource utilization levels.

METHODOLOGY

The results reported in this economic impact statement were derived from discussions with E&G staff, a telephone survey of eight of Florida's thirteen natural gas utilities, and standard microeconomic analysis.

BPK:jn/3305R

DOCKET NO. 890382-GU
March 23, 1989

25-7.056 Installation Practices. ~~The practices governing piping and appliance installation shall conform to the standards as set forth in Rule 25-12.005.~~

Specific Authority: 366.05(1), F.S.

Law Implemented: 366.05(1), F.S.

History: Repromulgated 1/8/75, 5/4/75, Amended 5/27/76, formerly 25-7.056,
Repealed _____.

25-7.082 Utilization by Customers.

~~(1) No utility shall establish gas service to any applicant until the utility has made such test of all supply piping and gas appliances as will enable it to insure, beyond reasonable doubt, the absence of any hazardous condition in the piping and appliance installation.~~

~~(2) Nothing in this rule shall be construed to make the utility liable for the condition or maintenance of piping or appliances owned by the customer beyond the making of the test above required; nor shall the utility be held liable for any continuing duty of inspection of such piping or appliances.~~

Specific Authority: 366.05(1), F.S.

Law Implemented: 366.05(3), F.S.

History: Repromulgated 1/8/75, 5/4/75, formerly 25-7.82, Repealed _____.

DOCKET NO. 890382-GU
March 23, 1989

25-12.005 Codes and Standards Adopted.

{1} The minimum Federal Safety Standards and reporting requirements for pipeline facilities and transportation of gas prescribed by the United States Federal Department of Transportation in Parts 191 and 192 of Title 49, Code of Federal Regulations (CFR) as amended through April 4, 1989, May-24, 1984, are adopted as part of these rules.

~~{2}--The following National Fire Protection Association Standards are adopted as a part of these rules insofar as they are applicable to the jurisdiction of this Commission.~~

~~{a}--Pamphlet No. 54-(1980)~~

~~{b}--Pamphlet No. 58-(1983)~~

~~{c}--Pamphlet No. 59-(1979)~~

~~{d}--Pamphlet No. 59A-(1979)~~

Specific Authority: 368.05(2), 351.127(2), F.S.

Law Implemented: 368.03, F.S.

History: New 11/14/70, Amended 9/24/71, Revised 9/21/74, Amended 10/7/75, 11/30/82, 10/2/84, formerly 25-12.05.

DOCKET NO. 890382-GU
March 23, 1989

25-12.043 Gas Service. Initiation-of-Gas-Service

(1) An operator may decline to provide gas service to a customer or any of the customer's equipment until the customer complies with all applicable gas codes adopted by the local authority having jurisdiction.

(2) No operator shall activate a meter delivering gas into customer piping until ascertaining that a test was conducted ensuring that a constant pressure had been contained by the piping.

~~No operator may establish gas service to any customer until the operator has ascertained that such tests have been made of supply piping and gas appliances being placed in service as will insure, beyond reasonable doubt, the absence of any hazardous condition in the piping and appliance installation.~~

Specific Authority: 368.05(2), F.S.

Law Implemented: 368.03, F.S.

History: New 9/21/74, Repromulgated 10/7/75, Amended 10/2/84, formerly 25-12.43.

25-12.044 Interruption of Gas Service.

{1} At the time gas service is turned off or when the operator becomes aware that the supply of gas to a customer has been interrupted, whether intentionally or unintentionally, a valve on the service line must be either locked in the closed position or in the service line plugged to prevent the flow of gas.

~~{2}---When--the--operator--becomes--aware--of--any--hazardous--condition relative-to-the-customer's-piping-or-appliance,--one-of-the-following-actions shall-be-taken:~~

~~{a}---The--operator--shall--discontinue--gas--service--to--the--hazardous piping-or-appliance(s);--or~~

~~{b}---The--operator--shall--discontinue--gas--service--to--the--customer--and take-action-as-required-in-25-12.045(1),--(2)--or--(3).---Service--shall--not--be reinstated-until-the-defect-or-deficiency-is-corrected-and-the-provisions-of Commission-Rule-25-12.43-are-met.~~

Specific Authority: 368.05(2), F.S.

Law Implemented: 368.05(2), F.S.

History: New 9/21/74, Repromulgated 10/7/75, Amended 10/2/84, formerly 25-12.44.

25-12.046 Unauthorized Utilization of Gas Facilities.

(1) Upon determining unauthorized establishment of gas service, the operator shall turn off the service and such service shall not be re-established until the operator has ascertained that testing meeting the requirement of Rule No. 25-12.043 had ~~tests have been made of all customer supply piping and gas appliances as will insure beyond reasonable doubt the absence of any hazardous condition in the piping and appliance installations.~~

(2) When unauthorized service is established and such service is on a common header with other services which may have been tampered with, the operator shall, in the case of obvious tampering, check each such service to ascertain that only active customer services are open and that inactive services meet the applicable requirements of Rules Nos. 25-12.044 and 25-12.045. This investigation shall be made immediately after shutting off the unauthorized service, and a record shall be made of the results.

(3) When the operator becomes aware of unauthorized operation of any other equipment on its own facilities, it shall immediately investigate to determine the effect upon the system and take all prudent measures to assure the safety of its customers and the public in general.

Specific Authority: 368.05(2), F.S.

Law Implemented: 368.05(2), F.S.

History: New 9/21/74, Repromulgated 10/7/75, Amended 10/2/84, formerly 25-12.46.

CODING: Words underlined are additions; words in
streak-through type are deletions from existing law.

9079G

ATTACHMENT 1

AMENDMENTS TO CFR 192

The following federal rules have been amended since the last revision to the Commission rules. For a more detailed explanation as to the subject matter, please see the attached orders.

<u>Amendment Number</u>	<u>Effective Date of Amendment</u>	<u>Subpart Changed</u>	<u>In Reference To:</u>
49	5/3/85	192.313	OVALITY OF FIELD BENDS
50	10/15/85	192.243	NDT FROM 100% TO 90%
51	5/23/85	Appendix	API LINE PIPE (ALL IN ONE SPEC.)
52	7/7/86	Sub. "E"	WELDING DELETED SECT 2 (API 1104)
53	10/31/86	192.611	CHANGE IN CLASS LOCATION - MAOP
54	12/18/86	192.719	TRANSMISSION LINES: TESTING REPAIRS
55	12/18/86	192.743	TESTING OF RELIEF DEVICES
56	10/11/87	192.5	CLASS LOCATIONS (RURAL CHURCH)
57	9/30/87	192.614	614(b)(4) <u>WHETHER</u> TO <u>IF</u>
58	2/22/88	192.3, .59, .161, .177, .191, .261, .355, .503, .507, .509, .625	EDITORIAL & OTHER MINOR CHANGES
59	9/29/88	191.23, .25 192.605	REPORTING UNSAFE CONDITIONS
60A	10/17/88	192.503(d)	1) TESTING OF TIE-IN WELDS
61	10/24/88	192.63	UPDATE REFERENCE MATERIALS
62	3/8/88	192.57, .61, .63, .113, .117, .119, .125, .145, .177, .275, .277, .279, .529, APPENDICES A & B	STANDARDS DELETIONS