

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of rulemaking to amend rules
in Chapter 25-12, F.A.C., pertaining to safety
of gas transportation by pipeline.

DOCKET NO. 090396-GU
ORDER NO. PSC-09-0691-NOR-GU
ISSUED: October 16, 2009

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to amend Rules 25-12.004, 25-12.005, 25-12.008, 25-12.022, 25-12.027, 25-12.040, 25-12.041, 25-12.080, 25-12.084, and 25-12.085, Florida Administrative Code, relating to federal pipeline safety regulations.

The attached Notice of Rulemaking will appear in the October 23, 2009 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at a time and place to be announced in a future notice.

Written requests for hearing and written comments or suggestions on these rules must be received by the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, no later than November 13, 2009.

By ORDER of the Florida Public Service Commission this 16th day of October, 2009.



ANN COLE
Commission Clerk

(SEAL)

KC

DOCUMENT NUMBER-DATE

10609 OCT 16 09

FPSC-COMMISSION CLERK

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

RULE NO: RULE TITLE

25-12.004: Definitions

25-12.005: Codes and Standards Adopted

25-12.008: New, Reconstructed or Converted Facilities

25-12.022: Requirements for Distribution System Valves

25-12.027: Welder Qualification

25-12.040: Leak Surveys, Procedures and Classification

25-12.041: Receiving of Gas Reports

25-12.080: General

25-12.084: Notice of Accidents and Outages

25-12.085: Written Annual Reports Required

PURPOSE AND EFFECT: Rule 25-12.004 Definitions-Amendment corrects zip code address for the Commission and updates the Pipeline Inspection, Protection, Enforcement, and Safety Act legal cite; 25-12.005 Codes and Standards Adopted-The amendment adopts the most current three parts of the code of Federal Regulations 191, 192 and 199 that cover natural gas pipeline safety; 25-12.008-New, Reconstructed or Converted Facilities-Amendment deletes the references to filed plans required by a repealed rule 25-12.039; 25-12.022 Requirements for Distribution System Valves-The amendment clarifies the requirement is for sectionalizing valves only, not all valves. Also gives a distance exception for location of valves if they are physically impractical to install in areas like river crossing and closed interstate highways; 25-12.027 Welder Qualification-Amendment updates the references to the current standard and code for welding on pipelines; 25-12.040 Leak Surveys, Procedures and Classification-Amendment clarifies intent of rule that cleared gas leaks are repaired; 25-12.041 Receiving of Gas Reports-Amendment adds clarifying language to title and deletes references to filed plans required by a repealed rule 24-12.039; 25-12.084 Notice of Accidents and Outages-The amendment increases the dollar amount threshold requiring notification of the Commission of natural gas related accidents; 25-12.085 Written Annual Reports Required-The amendment eliminates the requirement to file forms in triplicate, updates the identification reference to the required form, changes the submittal date to match federal requirements and eliminates a report not needed. Docket No. 090396-GU
SUMMARY: The rule changes describe the Commission's adoption of federal pipeline safety regulations, a welding standard as part Florida rules and an increase in the dollar amount for reporting accidents to the Commission. Various minor changes include adding clarifying

language, deleting references to a repealed rule, correction of an address, changing of a date, updating a form number and reducing the number of copies filed for a required report and eliminate a report not needed.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: The rule changes describe the Commission's adoption of federal pipeline safety regulations, a welding standard as part Florida rules and an increase in the dollar amount for reporting accidents to the Commission. Various minor changes include adding clarifying language, deleting references to a repealed rule, correction of an address, changing of a date, updating a form number and reducing the number of copies filed for a required report and eliminate a report not needed.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 368.05(2), 350.127(2) FS

LAW IMPLEMENTED: 368.03, 368.05(2) FS

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Kathryn Cowdery, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 (850) 413-6216, kcowdery@psc.state.fl.us

THE FULL TEXT OF THE PROPOSED RULE IS:

25-12.004 Definitions.

Definitions contained in codes or standards adopted by these rules are applicable to the rules and the adopted codes or standards with the following exceptions:

(1) "Commission". Unless a different intent clearly appears from the context, the word "Commission" shall mean the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-~~0850~~0868, area code (850) 413-6770.

(2) "Utility" or "Operator". Except where a different meaning clearly appears from the context, the word "Utility" or "Operator" shall be every person, corporation, partnership, association, public agency, municipality, cooperative gas district or other legal entity and their lessees, trustees, or receivers, now or hereafter owning, operating, managing or controlling any gas transmission or distribution facility transporting gas as defined herein and not specifically exempt from state jurisdiction by the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (PIPES Act), Pub. L. 109-468 (codified as amended at 49 U.S.C. §60101 (2006)). ~~Natural Gas Pipeline Safety Act of 1968, Public Law 90-481.~~

(3) – (4) No change.

(5) "Distribution System". As used in these rules shall mean any group of interconnected pipe and facilities operating at a hoop stress of less than 20 percent% specified minimum yield strength which transports gas from a common source of supply or storage facility to a customer.

(6) - (13) No change.

~~Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.03 FS. History—New 6-24-67, Amended 3-7-70, 11-14-70, 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.04, Amended 1-7-92.~~

25-12.005 Codes and Standards Adopted.

The Minimum Federal Safety Standards and reporting requirements for pipeline facilities and transportation of gas prescribed by the Pipeline and Hazardous Materials Safety Administration~~United States Department of Transportation~~ in 49 C.F.R. 191 and 192 (2008) as amended in 74 Fed. Reg. 2889-01 (January 16, 2009)~~Parts 191 and 192 of Title 49, Code of Federal Regulations (CFR) as amended through January 1, 2001,~~ are adopted as part of these rules. 49 C.F.R. Part 199 (2008), "Drug and Alcohol Testing," as amended in 74 Red. Reg. 2889-01 (January 16, 2009)~~through January 1, 2001,~~ is adopted to control drug use, by setting standards and requirements to apply to the testing and use of all emergency response personnel under the direct authority or control of a gas utility or pipeline operator, as well as all employees directly or indirectly employed by gas pipeline operators for the purpose of operation and maintenance and all employees directly or indirectly employed by intrastate gas distribution utilities for on-site construction of natural gas transporting pipeline facilities. Part 199 also is adopted to prescribe standards for use of employees who do not meet the requirements of the regulations.

~~Rulemaking Specific Authority 368.05(2), 350.127(2) FS. Law Implemented 368.03 FS. 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, Amended 8-8-89, 1-7-92, 5-13-99, 4-26-01.~~

25-12.008 New, Reconstructed or Converted Facilities.

(1) No new or reconstructed system or portion thereof may be:

(a) No change.

(b) Placed in service until:

~~1. The pipeline facilities have been inspected and found to comply with the construction specifications; and~~

~~2. Operating and Maintenance Plans have been filed with the Commission.~~

(2)(a) – (d) No change.

(e) Establish the maximum allowable operating pressure no greater than the highest sustained operating pressure during the 5 years prior to conversion unless it was tested or updated

after July 1, 1970 in accordance with the Subparts J or K of 49 C.F.R. 192 (2008) ~~Part 192, Title 49, CFR after July 1, 1970.~~

(f) No change.

(g) Determine areas of active corrosion as required by 49 C.F.R. 192 (2008) ~~Part 192, Title 49, CFR~~ and these rules. Required cathodic protection must be accomplished within 1 year after the date of conversion except that buried steel tubing must be protected prior to placing the system into operation.

Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.05(2) FS. History—New 11-14-70, Revised 9-21-74, Amended 10-7-75, 10-2-84, Formerly 25-12.08.

25-12.022 Requirements for Distribution System Valves.

(1) Valves ahead of regulator stations – A valve shall be installed upstream of each regulator station for us in an emergency to stop the flow of gas. These valves are to be installed at a safe distance from the station, but no more than 500 feet from the regulator station. The distance for the valve location can be greater than 500 feet if physically impractical to install closer.

(2) – (4) No change.

(5) All the sectionalizing valves which may be necessary for the safe operation of the system must be inspected and maintenance performed to assure location, access and operating ability at intervals not exceeding 15 months but at least each calendar year.

Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.05(2) FS. History—New 9-21-74, Amended 10-7-75, 10-2-84, Formerly 25-12.22.

25-12.027 Welder Qualification.

(1) No welder shall make any pipeline weld unless the welder has qualified in accordance with Section 3 of American Petroleum Institute Standard 1104, Welding of Pipelines and Related Facilities ~~17th edition, 1988, 20th edition, October 2005 including Errata/Addendum July 2007 and Errata 2 (2008), Section IX of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code 1977, or Sections 1, 2 & 3 of Appendix C of 49 C.F.R. the Code of Federal Regulations Part 192 (2008), as amended through December 27, 1989,~~ within the preceding 15 months, but at least once each calendar year.

(2) No change.

Rulemaking Specific Authority 350.127(2), 368.05(2) FS. Law Implemented 368.03 FS. History—New 1-7-92.

25-12.040 Leak Surveys, Procedures and Classification.

(1) – (2)(b) No change.

(c) "Grade 3 Leak" – a leak that is not a threat to persons and property and is not expected to become so. Above ground grade 3 leaks shall be repaired within 90 days from the date the leak was originally located unless the leak is upgraded or does not produce a positive leak indication when a soap and water solution, or its equivalent, is applied on suspected locations at operating pressure. Grade 3 leaks that are underground shall be reevaluated at least once every 6 months until repaired ~~cleared~~. The frequency of reevaluation shall be determined by the location and magnitude of the leak.

(3) No change.

Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.05(2) FS. History–New 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.40, Amended 1-7-92. 25-12.041 Receiving of Gas Leak and Emergency Reports.

Each operator must provide a means of receiving and promptly responding to reported gas leaks and emergencies ~~calls~~ on a 24-hour per day basis. The procedure for accomplishing this requirement must be included in the operating and maintenance plan ~~filed with the Commission~~.

Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.05(2) FS. History–New 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.41.

25-12.080 General.

(1) No change.

(2) Nothing in these rules shall be construed to relieve any operator from responsibility to file reports or give notifications as required by the Pipeline and Hazardous Materials Safety Administration ~~Federal Department of Transportation~~.

Rulemaking Specific Authority 368.05(2) FS. Law Implemented 368.05(2) FS. History–New 11-14-70, Amended 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.80.

25-12.084 Notice of Accidents and Outages.

(1) – (c) No change.

(d) Caused estimated damage to the property of the operator, or others, or both, of a total of \$10,000 ~~\$2,500~~ or more; or

(e) In the judgment of the operator, was significant even though it did not meet the criteria of subsections (a), (b), (c), or (d) of this subsection ~~paragraph~~.

(2) An operator need not give notice of an event that met only the criteria of subparagraphs ~~subsections~~ (b) or (c) of subsection (1) ~~this paragraph~~, if it occurred solely as a result of, or in connection with, planned or routine maintenance or construction.

(32) Each operator shall immediately report to the Commission any distribution system-related accident or failure which interrupts service to either 10 percent ~~%~~ or more of its meters or 500 or more meters.

Rulemaking Specific Authority 350.127(2), 368.05(2) FS. Law Implemented 368.03, 368.05(2) FS. History—New 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.84. 25-12.085 Written Annual Reports Required.

(1) Each operator of a distribution system shall submit an annual report ~~in triplicate on Pipeline and Hazardous Materials Safety Administration Department of Transportation Form PHMSARSPA F 7100.1-1 (12-05)~~ for each distribution system. In the case of an operator who has more than one distribution system, a combined annual report must be submitted which includes all facilities operated within the State of Florida subject to the Commission's jurisdiction.

~~(a) Each distribution system.~~

~~(b) In the case of an operator who has more than one distribution system, a combined annual report must be submitted which includes all facilities operated within the State of Florida subject to the Commission's jurisdiction.~~

(2) Each operator of a distribution system shall, for facilities that operate at 20 percent or more of the specified minimum yield strength, or that are used to convey gas into or out of storage, submit an annual reports for those facilities on Pipeline and Hazardous Materials Safety Administration ~~in triplicate on Department of Transportation Form PHMSARSPA F 7100.2-1(12-05).~~

(3) Each operator of a transmission system ~~or a gathering system under Commission jurisdiction~~ shall submit an annual reports on Pipeline and Hazardous Safety Administration ~~in triplicate on Department of Transportation Form PHMSARSPA F 7100.2-1(12-05).~~

(4) All the above reports must be submitted for the preceding calendar year so as to be received by the Commission no later than March 15th ~~February 10~~ of each year.

Rulemaking Specific Authority 350.127(2), 368.05(2) FS. Law Implemented 368.03, 368.05(2) FS. History—New 11-14-70, Amended 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.85.

NAME OF PERSON ORIGINATING PROPOSED RULE: Kathryn Cowdery, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 (850) 413-6216

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: October 06, 2009

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume 35, Number 22, June 5, 2009