BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL GAS UTILITES,

OFFICE OF PUBLIC COUNSEL,

AND

ALL OTHER INTERESTED PERSONS

UNDOCKETED

IN RE: AMENDMENT OF RULES
25-12.005, F.A.C., CODES AND STANDARDS ADOPTED;
25-12.008, F.A.C., NEW, RECONSTRUCTED OR CONVERTED FACILITIES;
25-12.027, F.A.C., WELDER QUALIFICATION;
25-12.045, F.A.C., INACTIVE GAS SERVICE LINES; AND
25-12.052, F.A.C., CORROSION CONTROL CRITERIA FOR CATHODIC PROTECTION OF BURIED OR SUBMERGED METALLIC PIPELINE; AND
ADOPTION OF RULE 25-12.100, F.A.C., PENALTIES

ISSUED: November 1, 2024

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes (F.S.), that the Florida Public Service Commission staff has initiated rulemaking to adopt new rule, Rule 25-12.100, F.A.C., pertaining to civil penalties, and to amend the following rules:

Rule 25-12.005, F.A.C., Codes and Standards Adopted;

Rule 25-12.008, F.A.C., New, Reconstructed or Converted Facilities;

Rule 25-12.027, F.A.C., Welder Qualification;

Rule 25-12.045, F.A.C., Inactive Gas Service Lines;

Rule 25-12.052, F.A.C., Corrosion Control Criteria for Cathodic Protection of Buried or Submerged Metallic Pipeline.

The purpose of this rulemaking is to update and clarify the existing rules, and to adopt new Rule 25-12.100, F.A.C., pertaining to civil penalties for violation of the Gas Safety Law of 1967, and Rules issued thereunder, as required by Section 368.061, F.S., as amended in the 2024 Legislative Session by Ch. 2024-167, Laws of Florida.

The attached Notice of Development of Rulemaking appeared in the October 24, 2024 edition of the Florida Administrative Register (Volume 50, Number 209). If requested in writing and not deemed unnecessary by the agency head, a rule development workshop will be scheduled and noticed in the next available Florida Administrative Register. Written requests for a rule development workshop must be submitted to Jon Rubottom, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, 850-413-6191, jrubotto@psc.state.fl.us by November 15, 2024. Copies of the preliminary draft rules are attached.

By DIRECTION of the Florida Public Service Commission this 1st day of November,

2024.

ADAM J. TEITZMAN Commission Clerk

Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 (850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JHR

Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

RULE NOS.: RULE TITLES:

25-12.005 Codes and Standards Adopted

25-12.008 New, Reconstructed or Converted Facilities

25-12.027 Welder Qualification

25-12.045 Inactive Gas Service Lines

25-12.052 Corrosion Control Criteria for Cathodic Protection of Buried or Submerged Metallic Pipeline

25-12.100 Penalties

PURPOSE AND EFFECT: To update and clarify the existing rules, and to adopt new Rule 25-12.100, F.A.C., establishing civil penalties for violation of the Gas Safety Law of 1967, and Rules issued thereunder, as required by Section 368.061, F.S., as amended in the 2024 Legislative Session by Ch. 2024-167, Laws of Florida.

Undocketed

SUBJECT AREA TO BE ADDRESSED: Gas transportation utilities, gas transmission and distribution safety, and civil penalties for violation of the Gas Safety Law of 1967.

RULEMAKING AUTHORITY: 350.127(2), 368.03, 368.05(2), 368.061(4), FS.

LAW IMPLEMENTED: 368.03, 368.05, 368.061, FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE NOTICED IN THE NEXT AVAILABLE FLORIDA ADMINISTRATIVE REGISTER.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Jon Rubottom, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6199, jrubotto@psc.state.fl.us.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

1	25-12.005 Codes and Standards Adopted.
2	The reporting requirements for operators of natural gas pipeline facilities prescribed by the
3	Pipeline and Hazardous Materials Safety Administration in 49 C.F.R. Part 191 (October 1,
4	2023 2021), are adopted and incorporated by reference as part of these rules and may be
5	accessed at [insert new hyperlink] https://www.flrules.org/Gateway/reference.asp?No=Ref-
6	15209. The minimum federal safety standards for natural gas pipeline facilities and the
7	transportation of natural gas prescribed by the Pipeline and Hazardous Materials Safety
8	Administration in 49 C.F.R. Part 192 (October 1, 2023 2021), are adopted and incorporated by
9	reference as part of these rules and may be accessed at [insert new hyperlink]
10	https://www.flrules.org/Gateway/reference.asp?No=Ref-15210. The drug and alcohol testing
11	requirements prescribed by the Pipeline and Hazardous Materials Safety Administration in 49
12	C.F.R. Part 199 (October 1, <u>2023</u> 2021), are adopted and incorporated by reference as part of
13	these rules and may be accessed at [insert new hyperlink]
14	https://www.flrules.org/Gateway/reference.asp?No=Ref-15211.
15	Rulemaking Authority 368.03, 368.05(2), 350.127(2) FS. Law Implemented 368.03, 368.05
16	FS. History–New 11-14-70, Amended 9-24-71, 9-21-74, 10-7-75, 11-30-82, 10-2-84, Formerly
17	25-12.05, Amended 8-8-89, 1-7-92, 5-13-99, 4-26-01, 12-15-09, 10-11-12, 3-2-17, 7-10-19, 3-
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1 25-12.008 New, Reconstructed or Converted Facilities. 2 (1) No new or reconstructed system or portion thereof may be: 3 (a) Constructed, until written construction specifications complying with these rules are 4 developed. 5 (b) Placed in service until the pipeline facilities have been inspected and found to comply with the construction specifications and Operating and Maintenance Plans. 6 7 (2) Before a piping system can be converted to a regulated gas, the operator must: (a) Have a general conversion procedure as a part of its operation and maintenance plan. 9 (b) File a conversion plan with the Commission for the specific system at least 15 days 10 prior to start of conversion. This plan need not be filed for minor conversions which are 11 scheduled to be completed in one day and where sectionalizing of the system to be converted 12 is not planned. 13 (c) Have inspections performed of the pipeline to assure that it was constructed in 14 accordance with standards applicable at the time of installation. Visual inspection of the 15 underground facilities will not be required if construction and testing records have been maintained. 16 17 (d) Review the operating and maintenance history of the system to be converted. Any 18 areas showing abnormal maintenance requirements shall be replaced, reconditioned or 19 otherwise made safe prior to conversion. 20 (e) Establish the maximum allowable operating pressure no greater than the highest 21 sustained operating pressure during the 5 years prior to conversion unless it was tested or 22 uprated after July 1, 1970 in accordance with the Subparts J or K of 49 C.F.R. 192 (2017), as 23 incorporated adopted in Rule 25-12.005, F.A.C. 24 (f) Make a leak survey over the entire converted system concurrent with the conversion.

CODING: Words <u>underlined</u> are additions; words in struck through type are deletions from existing law.

(g) Determine areas of active corrosion in accordance with as required by Subpart I of 49

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1	C.F.R. 192 (2017), as incorporated in Rule 25-12.005, F.A.C., and these rules. Required
2	cathodic protection must be accomplished within 1 year after the date of conversion except
3	that buried steel tubing must be protected prior to placing the system into operation.
4	Rulemaking Authority 350.127(2), 368.03, 368.05(2) FS. Law Implemented 368.03, 368.05(2)
5	FS. History–New 11-14-70, Amended 9-21-74, 10-7-75, 10-2-84, Formerly 25-12.08,
6	Amended 12-15-09, 10-11-12, 3-2-17,
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25-12.027 Welder Qualification.

2	(1) No welder shall make any pipeline weld unless the welder has qualified in accordance
3	with Section 6, or Section 12 for automatic welding, of American Petroleum Institute Standard
4	1104 (API 1104), Welding of Pipelines and Related Facilities, 21st edition, September 2013,
5	incorporated by reference herein, or Appendix C of 49 C.F.R. 192 (2017), as incorporated
6	adopted in Rule 25-12.005, F.A.C., within the preceding 15 months, but at least once each
7	calendar year. API 1104 is copyrighted and A copy of API 1104 may be inspected and
8	examined obtained at no cost at the Florida Public Service Commission Office of the
9	Commission Clerk, 2540 Shumard Oak Blvd., Suite 152, Tallahassee, FL 32399-0850. A copy
10	of the American Petroleum Institute Standard 1104 may also be obtained from the American
11	Petroleum Institute (API), 200 Massachusetts Avenue NW, Suite 1100, Washington, DC
12	20001-5571 or from http://www.api.org/Standards/.
13	(2) No welder shall weld with a particular welding process unless the welder has engaged
14	in welding with that process within the preceding six calendar months. A welder who has not
15	engaged in welding with that process within the preceding six calendar months must requalify
16	for that process as set forth in subsection (1) of this rule.
17	Rulemaking Authority 350.127(2), 368.03, 368.05(2) FS. Law Implemented 368.03, 368.05
18	FS. History–New 1-7-92, Amended 12-15-09, 10-11-12, 3-2-17.
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25-12.045 Inactive Gas Service Lines.

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relevant by the operator.

- (1) An operator shall take the following actions for inactive gas service lines that have been used, but have become inactive without reuse:
- (a) An operator shall take immediate action to protect persons and property if it determines that an inactive service line is an existing or probable hazard to persons or property, and shall retire and physically abandon said line within three months of that determination.
- (b) If the operator determines that there is no prospect for reuse, the service line shall be retired and physically abandoned within three months of that determination.
- (c) Annual risk assessments shall be made for all service lines that have been inactive for more than one year.
- 1. The annual risk assessments shall identify potential threats and shall rank risks using the operator's Distribution Integrity Management Plan developed pursuant to Subpart P of 49 C.F.R. 192, Subpart P (2011) which is incorporated by reference in Rule 25-12.005, F.A.C. The annual risk assessments shall include the following required elements of the operator's Distribution Integrity Management Plan in identifying threats: Presence of excess flow valves, incident and leak history, corrosion control records, continuing surveillance records, patrolling
 - 2. The annual risk assessments records shall be maintained by the operator for at least 10 years.

records, maintenance history, excavation damage experience, and any other data deemed

- 3. Inactive service lines that are identified in the annual risk assessments as potential threats with a high-risk ranking shall be retired and physically abandoned within six months after completion of the annual risk assessment.
- (d) After a service line has been inactive for a period of two years, if there is a prospect for reuse of the service line, the operator shall verify that the service line is permanently marked CODING: Words <u>underlined</u> are additions; words in <u>struck through</u> type are deletions from existing law.

to identify the operator's name and phone number and shall take one of the following actions 2 within six months: 3 1. Disconnect the service line from all sources of gas and physically abandon or remove; 4 2. A valve on the service line shall be locked in the closed position and the service line 5 plugged to prevent the flow of gas; or 3. Remove the meter and plug the end of the service line to prevent the flow of gas. 6 7 (e) After a service line has been inactive for a period of five years, if the inactive service 8 line is constructed of bare steel or cast iron or does not comply with current materials 9 standards in 49 C.F.R. 192 (2011), as incorporated by reference in Rule 25-12.005, F.A.C., the 10 inactive service line shall be retired and physically abandoned within six months. 11 (f) After ten years of inactivity, service lines shall be retired and physically abandoned 12 within six months. 13 (2) To physically abandon a service line, the operator must disconnect the service line 14 from all sources of gas at the nearest point to the gas main. Where the appropriate 15 governmental authority prohibits cutting pavement, the service line shall be disconnected at the nearest point not under a paved surface. The stub of the service line, the short section of 16 17 the remaining service line to the main, shall be disconnected closer to the main or at the main, 18 if at some later date it becomes accessible during normal operations. 19 (3) Records must be kept of the size, material, and location of all remaining service line 20 stubs. These records must be readily available to personnel assigned to pipeline locating 21 activities. 22 Rulemaking Authority 350.127(2), 368.03, 368.05(2) FS. Law Implemented 368.03, 368.05(2) 23 FS. History–New 9-21-74, Repromulgated 10-7-75, Amended 10-2-84, Formerly 25-12.45, 24 *Amended 1-7-92, 3-18-13,* . . 25

1	25-12.052 Corrosion Control Criteria for Cathodic Protection of Buried or
2	Submerged Metallic Pipeline.
3	(1) The only acceptable criteria for the determination of cathodic protection shall be I-
4	A(1), I-A(3) and I-A(5) of Appendix D, of 49 C.F.R. 192 (2011), incorporated by reference in
5	Rule 25-12.005, F.A.C.
6	$\underline{\text{(a)}(2)}$ I-A(1) shall be the only criterion acceptable for determination of the degree of
7	cathodic protection of externally coated buried or coated submerged pipelines installed after
8	June 1, 1975. When requirements cannot be met due to ineffective insulating capabilities of
9	the external coating, that portion of the pipeline may be isolated and protected using other
10	criteria listed in subsection (1) above.
11	$\underline{\text{(b)}(3)}$ Application of Criterion I-A(5) is restricted to bare and essentially bare ineffectively
12	coated metallic gas pipelines installed prior to July 31, 1971.
13	$\underline{1.(a)}$ Prior to utilization of Criterion I-A(5), a proposed, comprehensive, written procedure
14	for application and monitoring shall be submitted to the Commission's Bureau of Safety.
15	2.(b) The effectiveness of the procedure shall be supported by test data obtained in actual
16	field application of the procedure. An acceptable procedure shall demonstrate that the
17	procedure can attain a protective net current flow from the surrounding electrolyte into the
18	pipeline surface at all current discharge (anodic) points.
19	3.(e) All procedure qualification records shall be retained as long as the qualified
20	procedure is used.
21	$\frac{4.(d)}{d}$ If application of the qualified procedure fails to provide the required protective net
22	current flow from the surrounding electrolyte into the pipeline surface for a segment of the
23	pipeline, the procedure shall be modified accordingly and requalified for use in similar
24	conditions.
25	5.(e) The placement of the electrodes for resurvey monitoring of the application of I-A(5) CODING: Words <u>underlined</u> are additions; words in struck through type are deletions from existing law.

1	shall utilize the same electrode locations as the initial survey when practical.
2	6.(1) Each pipeline that is under cathodic protection utilizing Criterion I-A(5) shall be
3	tested at least once each calendar year, but with intervals not exceeding 15 months, to
4	determine whether the cathodic protection meets the requirements of these rules.
5	(2)(4) If gas leakage results from active corrosion of a pipeline, remedial action shall
6	include application of cathodic protection to meet one of the criteria of this rule, as described
7	in subsection (1), unless the pipeline is replaced with non-metallic pipe. Cathodic protection
8	for these remedial applications must be tested at least once every calendar year, but with
9	intervals not exceeding 15 months, to determine whether the cathodic protection meets the
10	requirements of this rule.
11	(3)(5) Each operator must take remedial action within three (3) months to correct or make
12	substantial progress toward correction of any deficiencies indicated by monitoring.
13	Rulemaking Authority 350.127(2), 368.03, 368.05(2) FS. Law Implemented 368.03, 368.05
14	FS. History–New 10-7-75, Amended 10-2-84, Formerly 25-12.52, Amended 1-7-92, 10-11-12
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1	25-12.100 Penalty.
2	If a utility violates part I of Chapter 368, F.S., or any rule issued in Chapter 25-12, F.A.C., th
3	utility is subject to a civil penalty of not more than \$266,015 for each violation for each day
4	that the violation persists, except that the maximum civil penalty will not exceed \$2,660,135
5	for any related series of violations.
6	Rulemaking Authority 368.03, 368.05(2), 368.061(4), 350.127(2) FS. Law Implemented
7	<u>368.061 FS. History–New .</u>
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