

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of)
Certain Rules in Chapter 4901:1-16, Ohio)
Administrative Code, to Incorporate Recent) Case No. 07-241-GA-ORD
Changes in Federal Regulations.)
)

ENTRY

The Commission finds:

- (1) Chapter 4901:1-16, Ohio Administrative Code (O.A.C.), contains rules for delineating the gas pipeline safety (GPS) requirements in Ohio, as well as the means for administering and enforcing those requirements.
- (2) Our rules in Chapter 4901:1-16, O.A.C., currently incorporate Code of Federal Regulation requirements effective as of April 14, 2006. Specifically, the federal regulations are referenced in:

Paragraphs (F) and (O) of Rule 4901:1-16-01
Paragraph (A) of Rule 4901:1-16-03
Paragraphs (E), (F), and (G) of Rule 4901:1-16-04
Paragraphs (A)(1) and (B)(1) of Rule 4901:1-16-05

- (3) We believe it is appropriate to update those four administrative rules so that they incorporate the more recent federal requirements. To accomplish that update, we propose to delete the date in each of the above-listed four rules and insert March 5, 2007, instead.
- (4) Inasmuch as these proposed changes are fairly straight forward, we find that a full comment cycle is unnecessary. Instead, we will adopt the changes in each of the four rules (as reflected in the attachment to this entry) and forward the adopted rules to the Joint Committee on Agency Rule Review, unless we receive an objection in this docket by May 7, 2007. If an objection is filed, we will evaluate it and make any necessary determinations thereafter.

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- (5) By initiating this docket, we do not intend to conduct a substantive review of the entire GPS chapter or debate the content of other parts of the GPS chapter. We are interested in simply updating the effective date of the incorporated federal regulations. As noted in prior decisions, we intend to periodically conduct updates so that our administrative rules keep pace, as best as possible, with changes at the federal level. Nothing in conducting this update is intended to circumvent the five-year review required by Section 119.032, Revised Code.

It is, therefore,

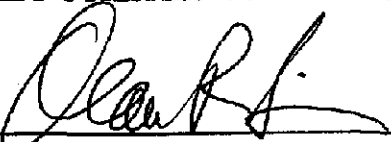
ORDERED, That the attached four rules in Chapter 4901:1-16, O.A.C., be adopted provided no objections are received by May 7, 2007. It is, further,

ORDERED, That, unless an objection is filed by May 7, 2007, copies of the rules contained in the attachment to this Entry will be filed with the Joint Committee on Agency Rule Review, the Legislative Service Commission, and the Secretary of State in accordance with divisions (D) and (E) of Section 111.15, Revised Code. It is, further,

ORDERED, That the adopted rules be effective on the earliest day permitted by law. Unless otherwise ordered by the Commission, the review date for these rules in Chapter 4901:1-16, O.A.C., remains September 30, 2009. It is, further,

ORDERED, That a copy of this Entry be served upon all natural gas companies regulated by the Commission, all operators in Ohio, all interested persons of record in Case No. 00-2043-GA-ORD, Ohio Gas Association, Ohio Oil and Gas Association, Southeastern Ohio Oil and Gas Association, Ohio Consumers' Counsel, Ohio Municipal League, Ohio Apartment Association, Northeast Ohio Apartment Association, Mid-Ohio Apartment Association Inc., and Ohio Manufactured Housing Association.

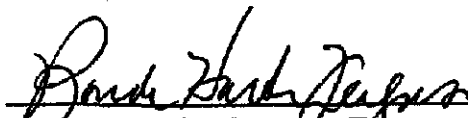
THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie

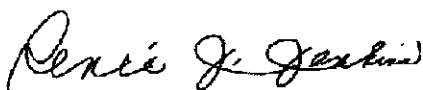


Donald L. Mason

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Entered in the Journal

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Renee J. Jenkins
Secretary

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4901:1-16-01 **Definitions.**

As used in this chapter:

- (A) "C.F.R." means code of federal regulations.
- (B) "Chief" means the chief of the gas pipeline safety section of the commission or his/her designee.
- (C) "Commission" means the public utilities commission of Ohio.
- (D) "Contiguous property" includes, but is not limited to, a manufactured home park as defined in section 3733.01 of the Revised Code; a public or publicly subsidized housing project; an apartment complex; a condominium complex; a college or university; an office complex; a shopping center; a hotel; an industrial park; and a race track.
- (E) "Gas" means:
 - (1) Natural gas, synthetic natural gas, or a mixture of those gases.
 - (2) Petroleum gas when used in the transmission or distribution system of a natural gas company or gas company.
- (F) "Gathering line" is determined in the same manner as in 49 C.F.R. 192.8 effective as of ~~April 14, 2006~~ March 5, 2007.
- (G) "GPS" means gas pipeline safety.
- (H) "GPS proceeding" means a commission-ordered investigation of any incident, violation, or possible noncompliance with the pipeline safety code.
- (I) "Incident" means an event that involves a release of gas from an intrastate gas pipeline facility and results in any of the following:
 - (1) A death.
 - (2) Personal injury requiring inpatient hospitalization.
 - (3) Estimated property damage of fifty thousand dollars or more, which is the sum of:
 - (a) The estimated cost of repairing and/or replacing the physical damage to the pipeline facility.

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- (b) The cost of material, labor and equipment to repair the leak, including meter turn-off, meter turn-on and light up.
 - (c) The cost of gas lost by an operator or person or both. Cost of gas lost shall not include the cost of gas in a planned operational release of gas by an operator, which is performed in compliance with the pipeline safety code.
 - (d) The estimated cost of repairing and/or replacing other damaged property of the operator or others, or both.
- (J) "Intrastate gas pipeline facility" includes any new and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas either wholly or partly within this state or from an interstate gas pipeline in Ohio to a direct sales customer in Ohio buying gas for its own consumption.
- (K) "Master meter system" means a pipeline system that distributes gas to two or more buildings or residences within a contiguous property where the operator purchases gas from an outside source for resale to consumers, including tenants. Such pipeline system supplies consumers who purchase the gas directly through a meter, or by paying rent, or by other means. Master meter systems shall exclude pipelines within a manufactured home or a building, except it shall include service lines.
- (L) "Operator" means:
- (1) A gas company as defined by division (A)(5) of section 4905.03 of the Revised Code.
 - (2) A natural gas company, including a producer of gas which does business as a natural gas company pursuant to division (A)(6) of section 4905.03 of the Revised Code.
 - (3) A pipeline company, when engaged in the business of transporting gas by pipeline as defined by division (A)(7) of section 4905.03 of the Revised Code.
 - (4) A public utility that is excepted from the definition of "public utility" under division (B) or (C) of section 4905.02 of the Revised Code, when engaged in supplying or transporting gas by pipeline within this state.
 - (5) Any person who owns, operates, manages, controls, leases, or maintains an intrastate gas pipeline facility or who engages in the transportation of gas. This includes but is not limited to a person who owns, operates, manages, controls, leases, or maintains a master meter system within this state.
- "Operator" does not include an ultimate consumer who owns a service line on the real property of that ultimate consumer.

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- (M) "Person" means any individual, corporation, business trust, estate, trust, partnership, association, firm, joint venture or municipal corporation and includes any trustee, receiver, assignee, or personal representative thereof.
- (N) "Pipeline" means all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.
- (O) "Pipeline safety code" means 49 C.F.R., 40, 191, 192, and 199 effective as of ~~April 14, 2006~~ March 5, 2007; sections 4905.90 to 4905.96 of the Revised Code; this chapter; and commission orders issued thereunder.
- (P) "Safety audit" is defined as set forth in section 4905.90 of the Revised Code.
- (Q) "Safety inspection" includes the following inspections, surveys and testing of a master meter system which are authorized by the pipeline safety code, and includes mapping (if accurate maps are not available from the operator) and pipe locating (if the operator could not locate pipelines in its system).
- (1) Testing of cathodic protection of metallic pipelines.
 - (2) Sampling of combustible gas to determine the proper concentration of odorant in distribution pipelines, unless records of the natural gas company performing the safety inspection show that the concentration of odorant in the gas transported to or near the master meter system conforms with the pipeline safety code.
 - (3) Gas leak surveys.
 - (4) Inspection and servicing of pressure regulating devices.
 - (5) Testing or calculation of required capacity of pressure relief devices.
 - (6) Inspection and servicing of critical valves.
 - (7) Inspection of underground vaults housing pressure regulating/limiting equipment and ventilating equipment.
- (R) "Staff" means the commission employees to whom responsibility has been delegated for enforcing and administering the GPS requirements contained in this chapter and the Revised Code.
- (S) "Synthetic Natural Gas" means gas formed from feedstocks other than natural gas, including coal, oil or naphtha.
- (T) "Transportation of gas" means:

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- (1) The gathering, transmission, or distribution of gas by pipeline, or the storage of gas within this state.
- (2) The movement of gas through regulated gathering lines, but does not include the gathering of gas in those rural locations that are located outside the limits of any incorporated or unincorporated city, town, or village, or any other designated residential or commercial area (including a subdivision, business, shopping center, or community development) or any similar populated area.

(U) "U.S.C." means United States code.

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4901:1-16-03 **Adoption of U.S. department of transportation gas pipeline safety regulations.**

- (A) The commission hereby adopts the GPS regulations of the U.S. department of transportation contained in 49 C.F.R. 40, 191, 192 and 199 effective as of ~~April 14, 2006~~ March 5, 2007.
- (B) Telephone notice and report requirements applicable to gathering lines (per division (C) of section 4905.91 of the Revised Code) are set forth in rule 4901:1-16-05 of the Administrative Code.

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4901:1-16-04

Records, maps, inspections and leak classifications.

Each operator shall:

- (A) Establish and maintain all plans, records, reports, information and maps necessary to ensure compliance with the pipeline safety code, and keep such plans, records, reports, information and maps in Ohio at the operator's headquarters or appropriate company office(s) readily available for inspection, examination and copying by the commission, its staff or its authorized representative(s).
- (B) Provide and make available its plans, records, reports, information and maps, as the commission, its staff or its authorized representative(s) may require to administer and enforce the pipeline safety code.
- (C) Permit the commission, its staff and authorized representative(s) to: enter and inspect its premises, operations and intrastate gas pipeline facilities; and inspect, examine and copy its plans, records, reports, information and maps, which the commission, its staff or its authorized representative(s) may require to administer and enforce the pipeline safety code.
- (D) Make its premises, operations and intrastate gas pipeline facilities readily accessible to the commission, its staff and its authorized representative(s).
- (E) Except for an operator of a master meter system, establish and maintain maps of the operator's service area which identify the operator's intrastate gas pipeline facilities, excluding service lines as defined in 49 C.F.R. 192.3 effective as of ~~April 14, 2006~~ March 5, 2007.
- (F) Unless otherwise provided by this chapter, establish and retain records for three years to show compliance with the requirements of 49 C.F.R. 192 effective as of ~~April 14, 2006~~ March 5, 2007.
- (G) Retain records of each leak survey, as required by 49 C.F.R. 192.723 effective as of - ~~April 14, 2006~~ March 5, 2007, for five years.
- (H) Classify all hazardous leaks immediately and classify all other leaks within two business days of discovery, utilizing the following standards for leak classification, monitoring, and repair:
 - (1) A grade one leak represents an existing or probable hazard to persons or property, and requires immediate repair or continuous action until the conditions are no longer hazardous.

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- (2) A grade two leak is that recognized as being nonhazardous at the time of detection, but requires scheduled repair based upon the severity and/or location of the leak.
 - (3) A grade three leak is that recognized as nonhazardous at the time of detection and can be reasonably expected to remain nonhazardous.
- (I) Upon discovery of any leak, take the following actions:
- (1) Take immediate action on grade one leaks to protect life and property and continuous action until the condition is no longer hazardous. This may require but is not limited to implementation of the operator's emergency plan.
 - (2) Repair or clear grade two leaks no later than fifteen months from the date the leak is discovered, unless the pipeline containing the leak is replaced within twenty-four months from the date the leak is discovered. Grade two leaks shall be reevaluated at least once every six months until cleared.
 - (3) Reevaluate grade three leaks during the next scheduled survey or within fifteen months from the date of the last inspection (whichever is sooner) and continue to reevaluate such leaks on that same frequency until the leak is repaired or there is no longer any indication of leakage.

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4901:1-16-05 **Notice and reports of service failures and incidents; twenty-four hour contacts; one-call participation; post-incident testing; and cast iron pipeline program.**

(A) Telephone notice of incidents and service failures.

- (1) Operators shall provide telephone notice to the chief on all incidents, as defined in rule 4901:1-16-01 of the Administrative Code, within two hours of discovery. This includes any telephone notice which is required to be made to the U.S. department of transportation pursuant to 49 C.F.R. 40, 191, 192, and 199 effective as of ~~April 14, 2006~~ March 5, 2007. Telephone notice requires personal contact with the chief or good faith efforts to make personal contact for all incidents. Operators unable to make personal contact with the chief shall leave a message on the commission's incident line, which is (614) 466-7542.**
- (2) Operators shall provide telephone notice to the chief on all service failures, which involve an interruption of service to one hundred or more customers for a period of two hours or more, within two hours after discovery. Telephone notice requires personal contact with the chief or good faith efforts to make personal contact for all qualifying service failures. Operators unable to make personal contact with the chief shall leave a message on the commission's incident line, which is (614) 466-7542.**

(B) Written reports regarding incidents and service failures.

- (1) All written reports required to be made to the U.S. department of transportation pursuant to the regulations in 49 C.F.R. 40, 191, 192, and 199 effective as of - ~~April 14, 2006~~ March 5, 2007, shall be submitted concurrently to the chief..**
- (2) Within thirty days after the service failure is discovered, each operator shall submit a written report to the chief on the "service failure report form" provided by the commission.**
- (3) For each incident report and each service failure report required by the pipeline safety code, each operator shall also submit a final written report of the cause(s) of the incident or service failure, where ascertainable, and actions taken to minimize the possibility of a recurrence of such an incident or service failure, where appropriate. The final report shall be submitted to the chief within sixty days after discovery of the incident or service failure unless the operator:**
 - (a) For good cause, shows more time is needed.**
 - (b) Submits interim reports at intervals of not more than sixty days until a final report is submitted.**

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- (4) Except for an operator of a master meter system, each operator shall submit an annual written report of incidents and service failures for the preceding calendar year (or state that no incidents or service failures occurred during the preceding calendar year) on the "annual report form" provided by the commission. This report shall be submitted to the chief not later than March fifteenth of each year.
- (C) Each natural gas company and pipeline company shall register the location of all of its underground utility facilities with a protection service that serves the area where the facilities are located, as provided in division (A) of section 3781.26 of the Revised Code. "Underground utility facilities" and "protection service" shall have the same meaning as in section 3781.25 of the Revised Code.
- (D) Twenty-four hour contact report.
 - (1) Each operator shall submit a twenty-four hour contact report to the chief not later than March fifteenth of each year. This written report shall contain:
 - (a) The name(s), business address(es), business telephone and fax number(s), and e-mail addresses of its emergency contact personnel.
 - (b) Any available emergency hotline number.
 - (2) Each operator shall within a reasonable time notify the chief in writing of any change in emergency contact personnel name(s), business address, business telephone, fax number, emergency hotline number and/or e-mail address of its emergency contact personnel.
- (E) To the extent necessary to carry out its responsibilities under the pipeline safety code, the commission or its staff may require testing of any intrastate gas pipeline facility which is involved in an incident. After making a good faith effort to negotiate a mutually acceptable plan with the owner of the pipeline facility, the commission or its staff may require the operator or choose an independent laboratory to test such pipeline facility.
- (F) Each operator shall establish a program to identify, repair and replace (as necessary) its cast iron distribution pipeline system which is detrimental to the public safety. This program shall include, but not be limited to disturbing cast iron pipe, maintenance history, leak history, major street or highway reconstruction or repaving, construction activity, depth of cover, soil type, traffic loading, operating conditions, year of manufacture, type of pipe, amount of graphitization, vibrations, impact forces, earth movement, backfilling after undermining, and water leaks or sewer failures in the area.
- (G) The forms required by this rule shall be available at the commission's docketing division and electronically on the commission's website at www.puc.ohio.gov.