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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Commission's Review of)
the Gas Pipeline Safety Rules Contained in) Case No. 09-829-GA-ORD
Chapter 4901:1-16 of the Ohio Administrative)
Code.)

INITIAL COMMENTS OF THE OHIO GAS ASSOCIATION

Pursuant to the Commission's September 30, 2009 Entry, The Ohio Gas Association ("OGA") files its initial comments on the proposed amendments to the Gas Pipeline Safety Rules contained in Chapter 4901:1-16 of the Ohio Administrative Code.

I. INTRODUCTION.

The Commission's Entry of September 30, 2009 contains proposed amendments and changes to the Commission's Gas Pipeline Safety Rules contained in Chapter 4901:1-16 of the Ohio Administrative Code. The proposed modifications include amendments to the provisions pertaining to classification of pipeline leaks and a change in the procedure for the payment of forfeitures and payment made pursuant to stipulation. In addition, the proposed rules would add a new rule that will include in the gas pipeline safety rules the pressure testing standards contained in Rule 4901:1-13-05 (A)(3).

In general, the members of the OGA agree with the proposed amendments to the existing provisions of Rule 4901-1-16. However, as discussed in detail below, OGA believes that the Commission should not incorporate the pressure testing standards of Rule 4901-13-05 into Chapter 4901:1-16.

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II. COMMENTS ON PROPOSED AMENDMENTS AND CHANGES TO CHAPTER 4901:1-16 OF THE OHIO ADMINISTRATIVE CODE.

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

OGA supports the adoption of proposed Rule 4901:1-16-02(E) that will create a procedure whereby a party may apply for a waiver of any requirement of Chapter 4901:16, other than a requirement mandated by statute, for good cause shown. This new provision will provide a method whereby a party can request flexibility in the application of the Commission's gas pipeline safety rules.

Rule 4901:1-16-04 Records, Maps, inspections and leak classifications.

OGA recommends that the last sentence of Rule 4901:1-16-04(I)(2) be amended to be consistent with the proposed changes to Rule 4901:1-16-04(I)(3). The revised language would be as follows:

“ ... Grade two leaks shall be reevaluated at least once every six months, at intervals not to exceed seven and one-half months, until there is no longer any indication of leakage, the leak is reclassified, or the pipeline is replaced~~cleared~~.

This change will align the requirements with respect to treatment of leaks classified as Grade two or Grade three.

Rule 4901:1-16-06 Construction reports.

Several of OGA's member companies are currently operating under commission-approved programs (“Accelerated Mainline Replacement Programs”) or (“AMRP”) that provide for the replacement of older pipeline facilities or systems. Virtually all of these programs provide for regular, annual reporting and formal review processes. The OGA recommends that the provisions in Rule 4901:1-16-06 be amended to provide that if a

natural gas utility is operating under a Commission-approved AMRP, the reporting requirements associated with such a program would supersede the otherwise applicable reporting requirements in this rule. This will avoid the need for duplicative dual reporting and the attendant additional costs.

Rule 4901:1-16-15 Pressure Testing Standards.

Paragraph (4) of the Commission's September 30, 2009 Entry states: "... In addition, the staff is recommending that the pressure testing standards contained in Rule 4901:1-13-05(A)(3), O.A.C., should also be included in the gas pipeline safety rules in Chapter 4901:1-16, O.A.C. Therefore, they have recommended the new rule be added as Rule 4901:1-16-15."

OGA believes that the addition of this new rule is unnecessary and unreasonable. Under the federal pipeline safety regulations, set forth in 49 C.F.R. Part 192, regulatory jurisdiction ends at the outlet side of the customer's meter. The Commission's Entry cites no authority or justification for extending the scope of the Commission's pipeline safety rules downstream of the meter, to include facilities not owned by the utility. In addition, adoption of the new rule will result in duplicative and/or conflicting requirements regarding required pressure tests. The new rules will result in two separate reporting, audit and enforcement processes, with the likely result being conflicting interpretations of the rules' requirements. This will result in needless incremental costs being imposed on local gas utilities and, ultimately, their customers.

Rule 4901:1-16-15(A)(2) and Rule 4901:1-16-15(A)(3).

Proposed Rules 4901:1-16-15(A)(2) and Rule 4901:1-16-15(A)(3) would embed in the pipeline safety code requirements for pressure testing of new house lines at new or

existing premises. The proposed rules require pressure testing of house line for new installations and before reestablishing service, with at least one appliance properly connected and operating.

As noted earlier, regulatory jurisdiction under the federal pipeline safety regulations ends at the customer's meter, and the Commission has provided no justification for extending the scope of its own pipeline safety rules to include downstream facilities owned by the customer.

In addition, Chapter 7 of the National Fuel Gas Code gives jurisdiction to the local code authority when building permits are issued. It is the local authority's responsibility to inspect and ensure that installations are in accordance with the local building codes.

For those reasons, OGA submits that these provisions of the proposed rules are unnecessary.

Rule 4901:1-16-15(A)(4)

The test specifications contained in proposed Rule 4901:1-16-15(A)(4) would require that bare steel services operating a pressure less than one pound per square inch gauge shall be tested at a minimum of **ten** pounds per square inch gauge for a duration of no less than five minutes. However, the provisions of Rule 4901:1-13-05(A)(3)(d), which would remain in effect, require that the same facilities be tested at a minimum of **three** pounds per square inch gauge. The adoption of a new, conflicting standard is unreasonable and inappropriate.


Rule 4901:1-16-15(A)(5) and Rule 4901:1-16-15(A)(6).

Even if the commission concludes that the proposed provisions of Rule 4901:1-13-05(A)(3) are relevant to pipeline safety matters, the proposed new Rules 4901:1-16-15(A)(5) and (A)(6) would also duplicate the provisions of Rule 4901:1-13-05(A)(4) and (A)(5) that relate to gas utility compliance and reporting requirements under the Commission's Minimum Gas Service Standards as set forth in Rule 4901:1-13-05(A)(1) and (2) of the Ohio Administrative Code.

III. CONCLUSION.

The Ohio Gas Association urges the Commission to modify or withdraw the proposed rules as discussed above.

Respectfully submitted,



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