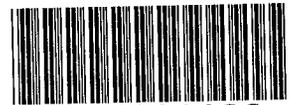


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MAR 18 2004

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BEFORE THE ARIZONA CORPORATION COMMISSION

30NE

DOCKETED BY	<i>[Signature]</i>
2	Commissioners

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MARC SPITZER Chairman
 WILLIAM A. MUNDELL
 JEFF HATCH-MILLER
 MIKE GLEASON
 KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

6 IN THE MATTER OF THE NOTICE OF)
 7 PROPOSED RULE MAKING REGARDING)
 8 THE TRANSPORTATION OF NATURAL)
 9 GAS, OTHER GASES AND HAZARDOUS)
 LIQUIDS BY PIPELINES.)

DOCKET NO. RG-00000A-04-0169
 NOTICE OF ERRATA

10 Staff of the Utilities Division ("Staff") of the Arizona Corporation Commission
 11 ("Commission") hereby submits its Notice of Errata regarding the above-captioned matter. The
 12 purpose of this notice is to correct errors in the proposed amendments to the Pipeline Safety
 13 Rules that is the subject of this docket. Staff has also attached an entirely new rules package now
 14 updated to incorporate the changes described below. What follows is the summary of the
 15 changes.

16 The first changes involve two rules: A.A.C. R14-5-202(P) and R14-5-205(J). The rules
 17 currently read as follows in the rulemaking packet docketed on March 10, 2004:

R14-5-202(P)

20 Operators of an intrastate pipeline transporting natural gas or other gas **pipeline**
 21 **system** that construct an underground pipeline system using plastic pipe will
 22 install the pipe with sufficient slack to allow for thermal expansion and
 23 contraction. In addition, all plastic pipe shall be marked CD or CE **and all fittings**
 24 **shall be marked "Gas" and shall be marked CF or CG** as required by ASTM
 25 D2513-95c (1995c Edition and no future editions), incorporated by reference, on
 26 file with the Office of the Secretary of State, and copies available from the
 27 Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix,~~
 28 ~~Arizona 85007~~ **2200 North Central Avenue, Suite 300, Phoenix, Arizona**
85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187,
 for areas where the service temperature is above 100°F.

R14-5-205(J)

27 Operators of a master meter system that construct an underground pipeline using
 28 plastic pipe will install the pipe with sufficient slack to allow for thermal
 expansion and contraction. In addition, all plastic pipe shall be marked CD or CE

1 and all fittings shall be marked "Gas" and shall be marked CF or CG as
 2 required by ASTM D2513-95c (1995c Edition and no future editions),
 3 incorporated by reference, on file with the Office of the Secretary of State and
 4 copies available from the Commission Office of Pipeline Safety, ~~1200 West~~
~~Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300,
Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia,
 5 Pennsylvania 19103-1187, for areas where the service temperature is above
 6 100°F.

6 The proposed modifications are as follows:

7 The first part of the second sentence for the proposed amended A.A.C. R14-5-202(P)
 8 should state:

9 **In addition, all plastic pipe and fittings shall be marked "Gas" and shall be**
 10 **marked CD, CE, CF or CG as required by ASTM D2513**

11 The first part of the second sentence for the proposed amended A.A.C. R14-5-205(J)
 12 should state:

13 **In addition, all plastic pipe and fittings shall be marked "Gas" and shall be**
 14 **marked CD, CE, CF or CG as required by ASTM D2513**

15 The proposed amended regulations should now read as follows:

16 **R14-5-202(P)**

17 Operators of an intrastate pipeline transporting natural gas or other gas ~~pipeline~~
 18 ~~system~~ that construct an underground pipeline system using plastic pipe will
 19 install the pipe with sufficient slack to allow for thermal expansion and
 20 contraction. ~~In addition, all plastic pipe shall be marked CD or CE as~~
~~required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings shall
be marked "Gas" and shall be marked CD, CE, CF or CG as required by
 21 ASTM D2513 (1995c Edition and no future editions), incorporated by reference,
 22 on file with the Office of the Secretary of State, and copies available from the
 23 Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix,~~
~~Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona
85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187,
 for areas where the service temperature is above 100°F.

24 **R14-5-205(J)**

25 Operators of a master meter system that construct an underground pipeline using
 26 plastic pipe will install the pipe with sufficient slack to allow for thermal
 27 expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or~~
~~CE as required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings
shall be marked "Gas" and shall be marked CD, CE, CF or CG as required
 28 by ASTM D2513 (1995c Edition and no future editions), incorporated by
 reference, on file with the Office of the Secretary of State and copies available

1 from the Commission Office of Pipeline Safety, ~~1200 West Washington,~~
2 ~~Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix,
3 Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania
4 19103-1187, for areas where the service temperature is above 100°F.

5 In addition, changes made to subparts 1, 2 and 3 of R14-5-204(A) update addresses to the
6 U.S. Department of Transportation.

7 Staff requests that the attached rulemaking packet supplant the rulemaking packet
8 docketed on March 10, 2004.

9 RESPECTFULLY SUBMITTED this 18th day of March, 2004.

10 

11 _____
12 Jason D. Gellman, Attorney
13 Legal Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007
17 (602) 542-3402

18 The original and thirty (30) copies
19 of the foregoing filed this 18th day of
20 March, 2004, with:

21 Docket Control
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 COPIES of the foregoing were mailed
26 this 18th day of March, 2004, to:

27 Mr. Charles G. Taylor, Jr., President & CEO
28 Local Gateway Exchange, Inc.
700 North Pearl, Suite 200
Dallas, Texas 75201

Mr. Steve Williams
Plant Manager
Arizona Public Service Company
Post Office Box 53999
Mail Station 4120
Phoenix, Arizona 85072-3999

Ms. Connie Wightman
Technologies Management, Inc.
210 North Park Avenue
Winter Park, Florida 32789

Mr. Larry Daniel
Customer Construction Dept. Leader
Arizona Public Service Company
Post Office Box 53999
Mail Station 3015
Phoenix, Arizona 85072-3999

...

1	Mr. Mark Battaglia	Mr. Steve Lines
2	City Manager	General Manager
3	City Of Benson	Graham County Utilities, Inc.
4	Post Office Box 2223	Post Office Drawer B
5	Benson, Arizona 85602	Pima, Arizona 85543
6	Mr. Gail Robinson	Mr. David Plumb
7	Southwest Gas Corporation	Gas Manager
8	Post Office Box 1028	City of Mesa
9	Page, Arizona 86040	Post Office Box 1466
10	Mr. Doug Mann	Mesa, Arizona 85211-1466
11	Manager	Mr. Ken Mecham
12	Energy West Arizona	Director
13	200 West Overland	Gila Resources
14	Payson, Arizona 85541	Post Office Box 272
15	Mr. Gary Powell	Safford, Arizona 85548
16	Manager	Mr. Gary Smith
17	Amerigas Terminal	Vice President
18	14702 West Olive Avenue	Unisource Energy
19	Waddell, Arizona 85355	1300 South Yale Street
20	Mr. Jack McBride	Flagstaff, Arizona 86001
21	Copper Market Incorporated	Mrs. Debra Jacobson
22	c/o Cyprus Bagdad Copper Company	Manager Regulatory Affairs
23	Post Office Box 245	Southwest Gas Corporation
24	Bagdad, Arizona 86321	Post Office Box 98510
25	Mr. Jim Vescio	Las Vegas, Nevada 89193-8510
26	Station Manager	Mr. Frank Gonzales
27	Swissport Fueling Inc.	Director of Utilities
28	4200 East Airplane Drive	City of Wilcox
	Phoenix, Arizona 85034	155 West Maley
	Mr. Jack Shilling	Wilcox, Arizona 85643
	General Manager	Mr. Steve Barlett
	Duncan Rural Service Cooperative	Manager
	Post Office Box O	Applied LNG Technologies
	Duncan, Arizona 85534	8101 North 34 th Street
	Mr. Dennis LLOYD	Amarillo, Texas 79121
	Manager, Compliance	Ms. Becky Gardner
	El Paso Natural Gas Company	Senior Human Resources Assistant
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	Tucson, Arizona 85711	Post Office Box 1466
		Mesa, Arizona 85211-1466

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 4 Post Office Box 100
 5 Plymouth, Utah 84330

6 Mr. Jack Williams
 7 Pimalco Aerospace Aluminum
 8 6833 West Willis Road
 9 Box 5050
 10 Chandler, Arizona 85226

11 Pinal County Building Inspections
 12 Queen Creek, Magma Gas Area
 13 Building Safety Division
 14 Post Office Box 827
 15 31 North Pinal St. Bldg. D
 16 Florence, Arizona 85232

17 U S WEST Communications
 18 Regulatory Division
 19 3033 North 3rd Street
 20 Room 1010
 21 Phoenix, Arizona 85012

22 Mr. Greg Merdick
 23 Cox Cable
 24 Community Relations
 25 17602 North Black Canyon Highway
 26 Phoenix, Arizona 85053

27 Chris Tyrek
 28 Cable America
 2720 East Camelback Road
 Phoenix, Arizona 85016

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 Regulatory Division
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 Phoenix, Arizona 85007

Mr. Clark Tartar and Mr. Frank Harris
 Arizona Pipeline Company
 3111 West Lincoln Street
 Phoenix, Arizona 85009

Mr. Jim Gholson
 Northern Pipeline Construction Co
 3024 West Weldon Avenue
 Phoenix, Arizona 85017

Mr. Walt Jones
 Henkles and McCoy, Inc.
 21601 North 3rd Avenue
 Phoenix, Arizona 85027-2907

Mr. Tom Mattingly
 Superintendent
 City of Mesa
 Building Inspections
 Post Office Box 1466
 Mesa, Arizona 85211-1466

ASARCO Incorporated
 c/o Webb Crockett, Esq.
 Fennemore Craig
 3003 North Central Avenue, Suite 2600
 Phoenix, Arizona 85012

The Arizona Utility Group
 c/o Kevin Kent
 City of Mesa
 Post Office Box 1466
 Mesa, Arizona 85211-1466

Mr. John H. Shorbe, Sr.
 Southern Arizona Home Builders
 Association
 2840 North Country Club Road
 Tucson, Arizona 85716

1	Mr. John Rueter	Mr. Donimic Antignano
2	Park Manager	President
3	Canyon Valle Airpark	Zapco Energy Tactics Corporation
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7	Manager	Superintendent
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10	Parker, Arizona 85344	Pinon, Arizona 85610
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13	HBACA	Utility & Facility Manager
14	2111 East Highland, Suite 190	Abbott Labs
15	Phoenix, Arizona 85016	1250 West Maricopa Highway
16	Mr. Glen Myers	Casa Grande, Arizona 85222
17	Manager	Mr. Lyle Iedje
18	Ikard and Newsom	Manager, Pipeline Operations
19	Post Office Box 217	Calpine Pipeline Company
20	Flora Vista, New Mexico 87415	60 River Road
21	Mr. Tom Yazzi	Rio Vista, California 94571
22	Superintendent of Schools	Mr. Justin B. Jessop
23	Kayenta School District No. 27	Gas Department Supervisor
24	Post Office Box 9000	Colorado City Gas
25	Window Rock, Arizona 86515	Post Office Box 840809
26	Ms. Janet Slowman Chee	Hildale, Utah 84784
27	Superintendent of Schools	Dr. Peter M. Belleto
28	Red Mesa Unified School District No. 27	Superintendent
	HCR 6100, Box 40	Ganado Unified Scholl District No. 20
	Teec Nos Pos, Arizona 86514	Post Office Box 1757
	Dr. Hector G. Tahu	Ganado, Arizona 86505
	Superintendent of Schools	Mr. Dan Baer
	Tuba City Unified School District No. 15	Plant Manager
	Post Office Box 67	Panda Gila River
	Tuba City, Arizona 86045	1250 East Watermelon Road
		Gila Bend, Arizona 85
		
	Angela L. Bennett secretary to	
	Jason D. Gellman	

OPEN MEETING

MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: March 16, 2004

RE: IN THE MATTER OF PROPOSED AMENDMENTS TO THE OFFICE OF PIPELINE SAFETY RULES REGARDING TRANSPORTATION OF NATURAL GAS, OTHER GASES AND HAZARDOUS LIQUIDS BY PIPELINES (DOCKET NO. RG-00000A-04-0169)

Staff of the Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") is proposing amendments to the Rules governing Pipeline Safety to accomplish the following:

- Update the Rules by incorporating by reference the most recent amendments to the Code of Federal Regulations ("CFR"), Title 49, Parts 191, 192, 193, 195, 199 and Part 40 (minimum safety standards for construction and maintenance of natural gas, other gases and hazardous liquid pipeline facilities, and pipeline operator's alcohol and drug enforcement programs).
- To change the address for the Office of Pipeline Safety. R14-5-202(B), (E), (J), (P), (R), R14-5-203(B), (C), R14-5-204(A) and R14-5-205(B), (G), (O) and (Q).
- Require that all new pipeline installed have proper bedding and shading. R14-5-202(O) and R14-5-205(I).
- Require all plastic pipe and fittings to be marked "Gas" and marked with CD, CE, CF or CG per ASTM D2513. R14-5-202(P) and R14-5-205(J).
- Require operators of hazardous liquid pipelines to file annual reports. R14-5-204(A).
- Require laboratory testing of pipeline that was or could have been involved in an accident or incident. R15-5-202(S) and R14-5-205(P).

The proposed amendments will conform to the most recent amendments of the Federal Pipeline Safety Regulations, which is required by the Commission's Agreement with the United States Department of Transportation, Office of Pipeline Safety, and require for the Commission's Pipeline Safety Group to receive Federal funds for Pipeline Safety Programs.

Staff believes that the proposed amendments will be beneficial to the general public by maintaining the safe operation of pipeline facilities. Therefore, Staff recommends that the

THE COMMISSION

March 16, 2004

Page 2

proposed amendments to the Rules be forwarded to the Secretary of State for Notice of Proposed Rulemaking. Staff further recommends that the Hearing Division schedule a hearing on the proposed amendment to the Rules no earlier than thirty (30) days after publication in the Arizona Register, but as soon as practicable thereafter, in Phoenix or Tucson, Arizona.

Ernest Johnson
Director
Utilities Division

EGJ:TLF:JRI:vcv:rdp/JDG

Originator: Terry Fronterhouse

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BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

IN THE MATTER OF THE NOTICE OF) DOCKET NO. RG-00000A-04-0169
PROPOSED RULE MAKING REGARDING)
THE TRANSPORTATION OF NATURAL) DECISION NO. _____
GAS, OTHER GASES AND HAZARDOUS)
LIQUIDS BY PIPELINES)
_____) ORDER

Open Meeting
March 30, 2004
Phoenix, Arizona

BY THE COMMISSION

FINDINGS OF FACT

1. Staff of the Utilities Division (“Staff”) of the Arizona Corporation Commission (“Commission”) is proposing amendments to transportation rules R14-5-202, R14-5-203, R14-5-204, and R14-5-205. The amendments will update the rules to incorporate the most recent amendments to the Code of Federal Regulations (“CFR”), Title 49, Parts 191, 192, 193, 195, 199 and Part 40.

2. In addition, the amended pipeline safety rules will require operators of intrastate pipelines transporting natural gas, other gas, or hazardous liquids to inform the Commission’s Office of Pipeline Safety (“OPS”) whenever a pipeline is removed that was or could have been involved in an accident or incident. The rules will also require OPS and the operator to agree on a laboratory to test the pipeline and OPS be allowed the opportunity to witness the test. The results of the laboratory test shall be made available to OPS within thirty days. R14-5-202(S).

...

1 Operators of master meter systems will also be subjected to the same requirements. R14-5-
2 205(P).

3 3. In addition, the amended pipeline safety rules will also require operators of
4 hazardous liquid pipelines to file annual reports. R14-5-204(A).

5 4. In addition, all newly installed natural gas, hazardous liquid or other gas intrastate
6 pipelines will be required to have proper bedding and shading, as described in R14-5-202(O) and
7 R14-5-205(I).

8 5. In addition, the updated rules will require all plastic pipe and fittings to be marked
9 "Gas" and marked with CD, CE, CF or CG per ASTM D2513. R14-5-202(P) and R14-5-205(J).

10 6. In addition, the rules update the location of the OPS to 2200 North Central, Suite
11 300, Phoenix, Arizona 85004. R14-5-202(B), (E), (J), (P), (R), R14-5-203(B), (C), R14-5-
12 204(A) and R14-5-205(B), (G), (O), (Q).

13 7. The proposed amendments will conform to the most recent amendments of the
14 Federal Pipeline Safety Regulations, which is required by the Commission's Agreement with the
15 United States Department of Transportation, Office of Pipeline Safety, and require for the
16 Commission's Pipeline Safety Group to receive Federal funds for Pipeline Safety Programs.
17 Staff believes that the proposed amendments will be beneficial to the general public by
18 maintaining the safe operation of pipeline facilities.

19 8. Staff has recommended that the Commission direct the Hearing Division to issue
20 a Procedural Order setting public comment period on the proposed rules and setting the dates for
21 public comment hearing in Phoenix.

22 CONCLUSIONS OF LAW

23 1. Pursuant to Article XV of the Arizona Constitution and A.R.S. Title 40 generally,
24 the Commission has authority in this matter.

25 2. It is in the public interest to issue a Procedural Order in this matter, as requested
26 by Staff.

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ORDER

IT IS THEREFORE ORDERED that the Hearing Division issue a Procedural Order scheduling a public comment hearing.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER	COMMISSIONER
COMMISSIONER	COMMISSIONER	

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2004.

BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

DISSENT: _____

EGJ:TLF:JRI:vcb:rdp/JDG

Originator: Terry Fronterhouse

1	Docket Control	Mr. Charles G. Taylor, Jr., President & CEO
2	Arizona Corporation Commission	Local Gateway Exchange, Inc.
3	1200 West Washington Street	700 North Pearl, Suite 200
4	Phoenix, Arizona 85007	Dallas, Texas 75201
5	Ms. Connie Wightman	Mr. Jack McBride
6	Technologies Management, Inc.	Copper Market Incorporated
7	210 North Park Avenue	c/o Cyprus Bagdad Copper Company
8	Winter Park, Florida 32789	Post Office Box 245
9	Mr. Steve Williams	Bagdad, Arizona 86321
10	Plant Manager	Mr. Jim Vescio
11	Arizona Public Service Company	Station Manager
12	Post Office Box 53999	Swissport Fueling Inc.
13	Mail Station 4120	4200 East Airline Drive
14	Phoenix, Arizona 85072-3999	Phoenix, Arizona 85034
15	Mr. Larry Daniel	Mr. Jack Shilling
16	Customer Construction Dept. Leader	General Manager
17	Arizona Public Service Company	Duncan Rural Service Cooperative
18	Post Office Box 53999	Post Office Box O
19	Mail Station 3015	Duncan, Arizona 85534
20	Phoenix, Arizona 85072-3999	Mr. Dennis LLOYD
21	Mr. Mark Battaglia	Manager, Compliance
22	City Manager	El Paso Natural Gas Company
23	City Of Benson	5151 East Broadway, Suite 1680
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	Amerigas Terminal	Gila Resources
	14702 West Olive Avenue	Post Office Box 272
	Waddell, Arizona 85355	Safford, Arizona 85548
		Mr. Gary Smith
		Vice President

1	Unisource Energy	Building Safety Division
2	1300 South Yale Street	Post Office Box 827
3	Flagstaff, Arizona 86001	31 North Pinal St. Bldg. D
4	Mrs. Debra Jacobson	Florence, Arizona 85232
5	Manager Regulatory Affairs	U S WEST Communications
6	Southwest Gas Corporation	Regulatory Division
7	Post Office Box 98510	3033 North 3 rd Street
8	Las Vegas, Nevada 89193-8510	Room 1010
9	Mr. Frank Gonzales	Phoenix, Arizona 85012
10	Director of Utilities	Mr. Greg Merdick
11	City of Wilcox	Cox Cable
12	155 West Maley	Community Relations
13	Wilcox, Arizona 85643	17602 North Black Canyon Highway
14	Mr. Steve Barlett	Phoenix, Arizona 85053
15	Manager	Chris Tyrek
16	Applied LNG Technologies	Cable America
17	8101 North 34 th Street	2720 East Camelback Road
18	Amarillo, Texas 79121	Phoenix, Arizona 85016
19	Ms. Becky Gardner	Jones Intercable
20	Senior Human Resources Assistant	Regulatory Division
21	City of Mesa	8251 North Cortaro Road
22	Post Office Box 1466	Tucson, Arizona 85743-9599
23	Mesa, Arizona 85211-1466	Tucson Electric Power
24	Mr. Jay Bowcutt	Legal Department – DB203
25	Vice President/General Manager	220 West 6 th Street
26	Nucor Steel Utah	Post Office Box 711
27	Post Office Box 100	Tucson, Arizona 85072
28	Plymouth, Utah 84330	Mr. David Martin
29	Mr. Jack Williams	Association of General Contractors
30	Pinalco Aerospace Aluminum	1825 West Adams
31	6833 West Willis Road	Phoenix, Arizona 85007
32	Box 5050	Mr. Clark Tartar and Mr. Frank Harris
33	Chandler, Arizona 85226	Arizona Pipeline Company
34		3111 West Lincoln Street
35		Phoenix, Arizona 85009
36		
37	Pinal County Building Inspections	Mr. Jim Gholson
38	Queen Creek, Magma Gas Area	Northern Pipeline Construction Co

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5	21601 North 3 rd Avenue	Manager
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8	Superintendent	Flora Vista, New Mexico 87415
9	City of Mesa	Mr. Tom Yazzi
10	Building Inspections	Superintendent of Schools
11	Post Office Box 1466	Kayenta School District No. 27
12	Mesa, Arizona 85211-1466	Post Office Box 9000
13	ASARCO Incorporated	Window Rock, Arizona 86515
14	c/o Webb Crockett, Esq.	Ms. Janet Slowman Chee
15	Fennemore Craig	Superintendent of Schools
16	3003 North Central Avenue, Suite 2600	Red Mesa Unified School District No. 27
17	Phoenix, Arizona 85012	HCR 6100, Box 40
18	The Arizona Utility Group	Tec Nos Pos, Arizona 86514
19	c/o Kevin Kent	Dr. Hector G. Tahu
20	City of Mesa	Superintendent of Schools
21	Post Office Box 1466	Tuba City Unified School District No. 15
22	Mesa, Arizona 85211-1466	Post Office Box 67
23	Mr. John H. Shorbe, Sr.	Tuba City, Arizona 86045
24	Southern Arizona Home Builders	Mr. Donimic Antignano
25	Association	President
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27	Tucson, Arizona 85716	1420 - D Church Street
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30	Canyon Valle Airpark	Superintendent
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36	2581 Highway 95	
37	Parker, Arizona 85344	
38	Mr. Rus Brock	Mr. David A. Salyers
39	Deputy Director	Abbott RPD Manager

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4 Casa Grande, Arizona 85222

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6 Calpine Pipeline Company
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Plant Manager
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1250 East Watermelon Road
Gila Bend, Arizona 85

8 Mr. Justin B. Jessop
9 Gas Department Supervisor
10 Colorado City Gas
11 Post Office Box 840809
12 Hildale, Utah 84784

11 Dr. Peter M. Belleto

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CONCISE EXPLANATORY STATEMENT

This explanatory statement is provided to comply with the provisions of A.R.S. §41-1036.

I. CHANGES IN THE TEXT OF THE PROPOSED RULES FROM THAT CONTAINED IN THE NOTICE OF RULEMAKING FILED WITH THE SECRETARY OF STATE **EVALUATION OF THE ARGUMENTS FOR AND AGAINST THE PROPOSED RULES**

There have been no changes to the rules since the Notice of Final Rulemaking was published by the Secretary of State in Volume 9, Issue 32 of the August 8, 2003 *Register*.

II. EVALUATION OF THE ARGUMENTS FOR AND AGAINST THE PROPOSED RULES

The proposed amended Arizona Corporation Commission Pipeline Safety Rules (“Rules”) will update the Rules by incorporating by reference the most recent amendments to the Code of Federal Regulations (CFR), Title 49, Parts 191, 192, 193, 195, 199, and Part 40 (minimum safety standards for construction and maintenance of natural gas, other gases and hazardous liquid pipeline facilities, and pipeline operator’s alcohol and drug enforcement programs).

The Arizona Corporation Commission (“Commission”) has been granted agent status allowing it to enforce the Federal Pipeline Safety Standards. To maintain that status the Commission must, pursuant to the Natural Gas Pipeline Safety Act and the Hazardous Liquid Pipeline Safety Act, adopt and keep current with the Federal Pipeline Safety Standards.

The Commission believes that through the adoption and incorporating by reference of CFR Title 49 updates, the rules will be consistent with the Federal Regulations and will enhance public safety which will be in the best interest of all citizens in the State of Arizona.

R14-5-202

Issue: The proposed amendments update the Rules to incorporate the most recent amendments to the Code of Federal Regulations.

Analysis: The proposed amendments incorporate the January 15, 2004 Code of Federal Register revisions. No parties opposed the proposed amendments.

Resolution: Staff’s proposed amendments to the Rule should be adopted.

R14-5-203

Issue: The proposed amendments update the Rules to incorporate the most recent amendments to the Code of Federal Regulations.

Analysis: The proposed amendments incorporate the January 15, 2004 Code of Federal Register revisions. No parties opposed the proposed amendments.

Resolution: Staff's proposed amendments to the Rule should be adopted.

R14-5-204

Issue: The proposed amendments update the Rules to incorporate the most recent amendments to the hazardous liquids section of Title 49 of the Code of Federal Regulations.

Analysis: The proposed amendments incorporate the January 15, 2004 Code of Federal Register revisions. No parties opposed the proposed amendments.

Resolution: Staff's proposed amendments to the Rule should be adopted.

R14-5-205

Issue: The proposed amendments update the Rules to incorporate the most recent amendments to the Title 49 of the Code of Federal Regulations.

Analysis: The proposed amendments are required for consistency with the federal code. No parties objected to Staff's proposed amendments.

Resolution: Staff's proposed amendments to the Rule should be adopted.

R14-5-202(B).

Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 40, 191, 192 except I (2) and (3) of Appendix D to Part 192, 193, 195, except 195.1(b)(2) and (3), and 199, revised as ~~January 16, 2002~~ **January 15, 2004** (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ **2200 North**

Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

R14-5-202(E)(1)(2)

1. NACE Standard MR-0175-99 (1999 Revision); (and no future revisions), Standard Materials Requirements-Sulfide Stress Cracking Resistant Metallic Material for Oilfield Equipment, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the NACE International, P.O. Box 218340, Houston, Texas 77218-8340 and on file with the Office of the Secretary of State.
2. API RP55 (1995 Edition); (and no future amendments), API recommended practice for conducting oil and gas production operations involving hydrogen sulfide, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the CSSINFO, 310 Miller Avenue, Ann Arbor, Michigan, 48103 and on file with the Office of the Secretary of State.

R14-5-202(G)

Operators of an intrastate distribution pipeline transporting ~~LNG, hazardous liquid~~, natural gas or other gas will not construct any part of a pipeline system closer than 8 inches to any other underground structure. If the 8-inch clearance cannot be maintained from other underground structures, a sleeve, casing, or shielding shall be used.

R14-5-202(J)

Operators of an intrastate pipeline transporting LNG, natural gas, other gases or hazardous liquid will utilize a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975 except I (2) and (3) of Appendix D to Part 192 shall not be utilized.

R14-5-202(O)

Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system ~~using plastic pipe~~, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.

R14-5-202(P)

Operators of an intrastate pipeline transporting natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513 (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central

Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.

R14-5-202(R)

Operators of an intrastate pipeline transporting natural gas or other gas pipeline system shall survey and grade all detected leakage by the following guide: ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 except 4.4(c) (1983 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, N. Y. 10017. (“Should” as referenced in the Guide will be interpreted to mean “shall”). Leakage survey records shall identify in some manner each pipeline surveyed. Records shall be maintained to demonstrate that the required leakage survey has been conducted.

R14-5-202(S)

Operators of an intrastate pipeline transporting natural gas, other gas or hazardous liquids shall advise the Office of Pipeline Safety when a pipeline is removed that was or could have been involved in an accident/incident. The operator, when directed by the Office of Pipeline Safety, shall have the pipeline involved in the incident tested on a mutually agreed upon time frame and by a laboratory mutually agreed upon by the operator and the Office of Pipeline Safety. The operator shall notify the Office of Pipeline Safety with the location and time the laboratory will be conducting the required tests. This information shall be provided in advance of the test in a time frame to permit Pipeline Safety Staff the opportunity to witness the test. The test results from the

laboratory shall be made available to the Office of Pipeline Safety within thirty (30) days of the operator having received the laboratory report.

R14-5-202(T)

All repair work performed on an existing intrastate pipeline transporting LNG, hazardous liquids, natural gas or other gas ~~pipeline-system~~ will comply with the provisions of this Article.

R14-5-203(B)(1)

Operators of an intrastate pipeline transporting LNG, natural gas or other gas ~~pipeline-system~~ will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:

R14-5-203(B)(A)(F)(ii)

Not one described in 49 CFR 195.52(a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.

R14-5-203(C)(2)(A)

RSPA F7100.1 - Distribution System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.

R14-5-203(C)(2)(B)

RSPA F7100.2 - Transmission and Gathering System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the

Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.

R14-5-203(C)(3)

Operators of an intrastate pipeline transporting hazardous liquid will make a written incident report on RSPA F 7000-1, (January 2001 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix Arizona 85007~~ **2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004,** when there is a release of hazardous liquid which results in any of the following:

R14-5-203(C)(3)(ii)

Not one described in 49 CFR 195.52 (a)(4);); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ **2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.**

R14-5-204(A)

Except for operators of an intrastate pipeline transporting LNG, ~~hazardous liquid~~, all other intrastate pipeline operators will file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, the following appropriate report(s):

1. **RSPA F 7000-1.1 (February 2004 and no future editions) – “Annual Report for calendar year 20 , hazardous liquid or carbon dioxide systems” and “Instructions for completing RSPA F 7000-1.1 Annual Report for calendar year 20 hazardous liquid or carbon dioxide systems incorporated by reference, on file with the Secretary of State and copies available from the Commission Office**

of Pipeline Safety, 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, U.S. Department of Transportation, Room 2335, 400 Seventh Street, S.W., Washington, DC 20590.

2. RSPA F7100.1-1 (November 1985 Edition and no future editions) - "Annual Report for Calendar Year 20___, Gas Distribution System" and "Instructions for Completing RSPA Form F7100.1-1, Annual Report for Calendar Year 20___, Gas Distribution System", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.
3. RSPA F7100.2-1 (January 2002 Edition and no future editions) - "Annual Report for Calendar Year 20___, Gas Transmission and Gathering Systems" and "Instructions for Completing Form RSPA F7100.2-1, Annual Report for Calendar Year 20___, Gas Transmission and Gathering Systems", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.

R14-5-205(B)

Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 191 and 192, revised as of ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

R14-5-205(G)

Operators of a master meter system will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

R14-5-205(J)

Operators of a master meter system that construct an underground pipeline using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95c~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513 (1995c Edition and no future editions),

incorporated by reference, on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.

R14-5-205(O)

Operators of a master meter system will perform leakage surveys at intervals not exceeding 15 months but at least once each calendar year and will survey and grade all detected leakage by the following guide -- ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 (1983 Revision and no future revisions), except 4.4(c), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, New York 10017. ("Should" as referenced in the guide will be interpreted to mean "shall".) Leak detection procedures shall be approved by the Office of Pipeline Safety.

R14-5-205(P)

Operators of master meter system shall advise the Office of Pipeline Safety when a pipeline is removed that was or could have been involved in an accident/incident. The operator, when directed by the Office of Pipeline Safety, shall have the pipeline involved in the incident tested on a mutually agreed upon time frame and by a laboratory mutually agreed upon by the operator and the Office of Pipeline Safety. The operator shall notify the Office of Pipeline Safety with the location and time the laboratory will be

conducting the required tests. This information shall be provided in advance of the test in a time frame to permit Pipeline Safety Staff member(s) the opportunity to witness the test. The test results from the laboratory shall be made available to the Office of Pipeline Safety within thirty (30) days of the operator having received the laboratory report.

- Q.** Operators of a master meter system will file an annual report with the Commission on Commission Form 1-90/15M (1990 Edition and no future editions), "Annual Report for Calendar Year 20___, Small Operators of Gas Distribution System," incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission, Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ **2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004**. This report will be filed with the Office of Pipeline Safety not later than April 15 for the preceding calendar year.

STATEMENT OF EFFECT ON SMALL BUSINESS

1. Small Business Subject to the Rules: These rules do not change the responsibilities of master meter operators already established in 1970 by the adoption by the Commission of the Code of Federal Regulations, Title 49, Parts 191 and 192.
2. Professional Skills and Reporting and Bookkeeping Procedures Required for Compliance: No professional skills are required, the reporting and bookkeeping requirements are less than previously required.
3. Description of Methods Used to Reduce Impact on Small Businesses: There are no new requirements that would impact the small business community.
4. Feasibility and Legality of Methods in three (3) above:
Not applicable.

**ECONOMIC IMPACT STATEMENT
PER A.R.S. SECTION 41-1055**

1. **BRIEF DESCRIPTION:** These amendments will amend already existing rules. (R14-5-202, R14-5-203, R14-5-204 and R14-5-205) under Chapter 5 entitled "Transportation".

The proposed amendments to the existing rules are designed to update the Arizona Corporation Commission Pipeline Safety rules to recognize the amendments to Title 49, Code of Federal Regulations (CFR) Parts 40, 191, 192, 193, 195 and 199 as of January 15, 2004 (Minimum Safety Standards for Construction, Operation and Maintenance of natural gas, other gases and hazardous liquid pipeline facilities).

2. **NEED:** The Commission has been granted agent status allowing it to enforce the Federal Pipeline Safety Standards. To maintain that status the Commission must, pursuant to the Natural Gas Pipeline Safety Act and the Hazardous Liquid Pipeline Safety Act, adopt and keep current with the Federal Pipeline Safety Standards.

The Commission believes that through the adoption and incorporating by reference of CFR Title 49 updates, the rules will be consistent with the Federal Regulations and will enhance public safety which will be in the best interest of all citizens' in the State of Arizona

3. **AFFECTED CLASSES OF PERSONS:**

- A. Operators of master meter gas distribution systems.
- B. Intrastate operators of natural gas and other gas pipelines.
- C. Intrastate operators of hazardous liquid pipelines.

4. **RULE IMPACT ON AFFECTED CLASSES OF PERSONS:**

- A. There will be no impact on master meter system operators if they are already complying with the Federal Pipeline Safety Regulations.
- B. There will be no impact on operators of natural gas or other gas systems if they are already complying with the Federal Pipeline Safety Standards.
- C. There will be no impact on operators of hazardous liquid pipelines if they are already complying with the Federal Pipeline Safety Standards.

5. **COST AND BENEFITS TO THE AGENCY:** The Commission will have better access to information on status of hazardous liquid pipelines operating within Arizona. The amendments to the rules will have no effect on other state agencies.

6. **COST AND BENEFITS TO POLITICAL SUBDIVISIONS:** There will be no impact on political subdivisions if they are already complying with the Federal Pipeline Safety Regulations.

7. **COST AND BENEFITS TO PRIVATE PERSONS:** There will be no additional cost to

taxpayers, ratepayers or customers. The impact of the rule changes is to provide the taxpayers, ratepayers and customers with improved safety and to assure that all construction, operation and maintenance is accomplished in accordance with the established minimum safety standards.

8. **COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES:** The new rules will have no effect upon consumers or users of the gas service provided by regulated public utilities as they presently are required to be in compliance with all standards, but, this will benefit consumers, users and the general public by maintaining a safe pipeline system.
9. **LESS COSTLY OR INTRUSIVE METHODS:** The proposed rules are the least costly method for obtaining compliance with the long standing minimum safety standards. The rules do not impose additional standards. There is no less intrusive method.
10. **ALTERNATIVE METHODS CONSIDERED:** There are no alternative methods available to achieve the standardization of pipeline construction, training and enhancement of safety.

NOTICE OF RULEMAKING DOCKET OPENING

ARIZONA CORPORATION COMMISSION

1. **Title and its heading:** 14, Public Service Corporations; Corporations and Associations; Securities Regulation

Chapter and its heading: 5, Corporation Commission - Transportation

Subchapter and its heading (if applicable): 2, Pipeline Safety

Article and its heading: R14-5-202 through R14-5-205

2. **The subject matter of the proposed rule:**

These amendments will amend already existing rules (R14-5-202, R14-5-203, R14-5-204, and R14-5-205) under Chapter 5. The proposed amendments are designed to update the Arizona Corporation Commission Transportation rules and to recognize the latest federal standards revisions pertaining to LNG, hazardous liquids, natural gas and other gas pipeline systems and revisions to Title 49 Code of Federal Regulations (CFR), Parts 40, 191, 192, 193, 195, and 199 with exceptions. The Commission believes that by incorporating by reference Title 49 CFR Parts 40, 191, 192, 193, 195 and 199, the rules will be consistent with current best practices and will enhance public safety which is in the best interest of all citizens in the state of Arizona.

The agency docket number, if applicable: RG-00000A-04-_____

3. **A citation to all published notices relating to the proceeding:**

Notice of Rulemaking Docket Opening

_____ A.A.R. _____, _____

Vol. # page # Issue date

4. **The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name: Jason D. Gellman

Address: Corporation Commission, Legal Division

1200 West Washington

Phoenix, Arizona 85007

Telephone: 602-542-3402

Fax number: 602-542-4870

5. **The time during which the agency will accept written comments and the time and place where oral comments may be made:**

The time when and the place where oral and written comments may be made will be established by the Arizona Corporation Commission in its Procedural Order the Commission's Decision during Open Meeting. The date, time and place for public comment will be noticed in accordance with ARS 38-431 et seq..

6. **A timetable for agency decisions or other action on the proceeding, if known:**

The amendments will be adopted by the Arizona Corporation Commission at a regularly scheduled or a special Open Meeting and forwarded to the Attorney General for certification in accordance with ARS § 41-1044. The notice and agenda will be posted in accordance with state law and will be mailed to those entities/individuals on the service list accompanying the Commission Decision authorizing the filing of the Notice of Proposed Rulemaking with the Secretary of State.

NOTICE OF PROPOSED RULEMAKING
TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION
CHAPTER 5. CORPORATION COMMISSION - TRANSPORTATION

PREAMBLE

1. **Sections Affected** **Rulemaking Action**

R14-5-202 Amend.

R14-5-203 Amend.

R14-5-204 Amend.

R14-5-205 Amend.

2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. §§ 40-202, 40-203, 40-321, 40-441 and 40-442 et seq.

Constitutional authority: Arizona Constitution, Article XV

Implementing statute: Not applicable

3. **A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening _____ A.A.R. _____, _____

Notice of Proposed Rulemaking _____ A.A.R. _____, _____

Vol. # page # Issue date

4. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Jason D. Gellman, Commission Counsel, Legal Division

Address: Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone Number: (602) 542-3402

Fax Number: (602) 542-4870

5. **An explanation of the rule, including the agency's reasons for initiating the rule:**

Staff is proposing amendments to transportation rules R14-5-202, R14-5-203, R14-5-204 and R14-5-205. The amendments will update the rules to incorporate the most recent amendments to the Code of Federal Regulations (CFR), Title 49, Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004.

6. **A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

None

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

The Commission believes that by incorporating by reference Title 49 CFR Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004, the rules will be consistent with current best practices and will enhance public safety which is in the best interest of all citizens in the State of Arizona.

8. **The preliminary summary of the economic, small business, and consumer impact:**

Small Business Subject to the Rules: These rules do not change the responsibilities of master meter operators already established in 1970 by the adoption by the Commission of the Code of Federal Regulations, Title 49, Parts 191 and 192.

The new rules will have no effect upon consumers or users of the gas service provided by regulated public utilities as they presently are required to be in compliance with all standards, but, this will benefit consumers, users and the general public by maintaining a safe pipeline system.

The proposed rules are the least costly method for obtaining compliance with the long standing minimum safety standards. The rules do not impose additional standards. There is no less intrusive method.

9. **The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name: Terry Fronterhouse, Chief, Office of Pipeline Safety

Address: Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Telephone Number: (602) 262-5601

Fax Number: (602) 262-5620

10. **The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Date: To be provided by the Commission Hearing Division pursuant to procedural order.

Time: To be provided by the Commission Hearing Division pursuant to procedural order.

Location: Commission Hearing Room, 1200 West Washington Street, Phoenix, Arizona

Nature: Public Comment Hearing (oral and written comments accepted)

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

12. Incorporations by reference and their location in the rules:

Title 49, Code of Federal Regulations (CFR), Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004. These regulations cover the minimum safety standards for construction and operation of gas and hazardous liquid pipelines. These regulations may be found at the Arizona Corporation Commission, Executive Secretaries Office and Office of Pipeline Safety, 1200 West Washington Street, Phoenix, Arizona 85007. These regulations are incorporated by reference in the amended rules at: R14-5-202 B., E., J., K., O., P., R., S.; R14-5-203 B., and C.; R14-5-204 A.; and R14-5-205 B., G., I., J., O., P., and Q.

12. The full text of the rules follows:

NOTICE OF PROPOSED RULEMAKING

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION**

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION

ARTICLE 2. PIPELINE SAFETY

- R14-5-202. Construction and Safety Standards
- R14-5-203. Pipeline Incident Reports and Investigations
- R14-5-204. Annual Reports
- R14-5-205. Master Meter System Operators

AGENCY RECEIPT

Notice of Proposed Rulemaking

1. **Agency name:** Arizona Corporation Commission
2. **The Subchapters, if applicable; the Articles; the Parts, if applicable; and the Sections involved in the rulemaking, listed in alphabetical and numerical order:**

<u>Subchapters, Articles, Parts, and Sections</u>	<u>Action</u>
Article 2. Pipeline Safety	
R14-5-202	Amend.
R14-5-203	Amend.
R14-5-204	Amend.
R14-5-205	Amend.

ARTICLE 2. PIPELINE SAFETY

R14-5-202. Construction and Safety Standards

- A.** Applicability: This rule applies to the construction, reconstruction, repair, operation and maintenance of all intrastate natural gas, other gas, LNG and hazardous liquid pipeline systems, as described in ARS 40-441.
- B.** Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 40, 191, 192 except I (2) and (3) of Appendix D to Part 192, 193, 195, except 195.1(b)(2) and (3), and 199, revised as ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- C.** The above mentioned incorporated Parts of 49 CFR, except Parts 191, 193 Subpart A and 195 Subpart A and B, are revised as follows:
1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration" or "Office of Pipeline Safety" (OPS) appear.
 2. Substitute "Office of Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the address for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U. S. Department of Transportation appears.
- D.** Operators of an intrastate pipeline will file with the Commission an Operation and Maintenance Plan (O & M), including an emergency plan, 30 days prior to placing a pipeline

system into operation. Any changes in existing plans will be filed within 30 days of the effective date of the change.

E. Operators of an intrastate pipeline transporting sour gas or oil are subject to industry standards addressing facilities handling hydrogen sulfide (H₂S). Standards adopted are:

1. NACE Standard MR-0175-99 (1999 Revision); (and no future revisions), Standard Materials Requirements-Sulfide Stress Cracking Resistant Metallic Material for Oilfield Equipment, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the NACE International, P.O. Box 218340, Houston, Texas 77218-8340 and on file with the Office of the Secretary of State.
2. API RP55 (1995 Edition); (and no future amendments), API recommended practice for conducting oil and gas production operations involving hydrogen sulfide, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the CSSINFO, 310 Miller Avenue, Ann Arbor, Michigan, 48103 and on file with the Office of the Secretary of State.

F. Operators of an intrastate pipeline transporting LNG, hazardous liquid, natural gas or other gas will not construct any part of a hazardous liquid, LNG, natural gas or other gas pipeline system under a building. For building encroachments over a pipeline system, the operator may require the property owner to remove the building from over the pipeline or reimburse

the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery, or the operator shall discontinue service to the pipeline system. When the encroachment can not be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.

- G.** Operators of an intrastate distribution pipeline transporting LNG, ~~hazardous liquid~~, natural gas or other gas will not construct any part of a pipeline system closer than 8 inches to any other underground structure. If the 8-inch clearance cannot be maintained from other underground structures, a sleeve, casing, or shielding shall be used.
- H.** Operators of an intrastate pipeline transporting natural gas or other gas that have regulators, meters, or regulation meter sets that have been out of service for 36 months will abandon those lines and cap all ends. The Operator's steps to accomplish the abandonment shall not exceed 6 months beyond the 36 months out service status.
- I.** Operators of an intrastate pipeline shall not install or operate a gas regulator that might release gas in its operation closer than 3 feet to a source of ignition, opening into a building, air intake into a building or to any electrical source not intrinsically safe. The three (3) foot clearance from a source of ignition will be measured from the vent or source of release (discharge port), not from the physical location of the meter set assembly. This subsection shall not be effective with respect to building permits which are issued and subdivisions which are platted prior to October 1, 2000. For encroachment within the required three foot clearance caused by an action of the property owner, occupant or a service provider, after the

effective date of this rule the operator may require the property owner to resolve the encroachment or reimburse the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery or the operator shall discontinue service to the effected pipeline system. When the encroachment cannot be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.

- J.** Operators of an intrastate pipeline transporting LNG, natural gas, other gases or hazardous liquid will utilize a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975 except I (2) and (3) of Appendix D to Part 192 shall not be utilized.
- K.** Operators of an intrastate pipeline transporting natural gas or other gas will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office

of Pipeline Safety, and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

- L. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their pipeline systems.
- M. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install plastic pipe aboveground unless the plastic pipeline is protected by a metal casing, or equivalent, and approved by the Office of Pipeline Safety. Temporary aboveground plastic pipeline bypasses are permitted for up to sixty (60) days, provided that the plastic pipeline is protected and is under the direct supervision of the operator at all times.
- N. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas that construct a pipeline system or any portion thereof using plastic pipe, will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- O. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system ~~using plastic pipe~~, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- P. Operators of an intrastate pipeline transporting natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system using plastic pipe will install the pipe with

sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513(1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.

- Q.** Operators of an intrastate pipeline system transporting hazardous liquid, natural gas or other gases shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A. The qualification of welders delineated in 49 CFR 192, appendix C may be used for low stress level pipe.
- R.** Operators of an intrastate pipeline transporting natural gas or other gas pipeline system shall survey and grade all detected leakage by the following guide: ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 except 4.4(c) (1983 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, N. Y. 10017. ("Should" as referenced in the Guide will be interpreted to mean "shall"). Leakage survey records shall identify in some manner each

pipeline surveyed. Records shall be maintained to demonstrate that the required leakage survey has been conducted.

S. Operators of an intrastate pipeline transporting natural gas, other gas or hazardous liquids shall advise the Office of Pipeline Safety when a pipeline is removed that was or could have been involved in an accident/incident. The operator, when directed by the Office of Pipeline Safety, shall have the pipeline involved in the incident tested on a mutually agreed upon time frame and by a laboratory mutually agreed upon by the operator and the Office of Pipeline Safety. The operator shall notify the Office of Pipeline Safety with the location and time the laboratory will be conducting the required tests. This information shall be provided in advance of the test in a time frame to permit Pipeline Safety Staff the opportunity to witness the test. The test results from the laboratory shall be made available to the Office of Pipeline Safety within thirty (30) days of the operator having received the laboratory report.

S. T. All repair work performed on an existing intrastate pipeline transporting LNG, hazardous liquids, natural gas or other gas ~~pipeline system~~ will comply with the provisions of this Article.

T. U. The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public and pipeline safety.

U. V. To ensure compliance with provisions of this rule the Commission or an authorized representative thereof may enter the premises of an operator of an intrastate pipeline to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the pipeline system operation.

~~V.~~ W. All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.

R14-5-203. Pipeline Incident Reports and Investigations

A. Applicability. This rule applies to all intrastate pipeline systems.

B. Required incident reports by telephone:

1. Operators of an intrastate pipeline transporting LNG, natural gas or other gas ~~pipeline system~~ will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
 - a. The release of natural gas, other gas or liquefied natural gas (LNG) from a pipeline or LNG facility, when any of the following results:
 - i. Death or personal injury requiring hospitalization.
 - ii. An explosion or fire not intentionally set by the operator.
 - iii. Property damage, including the value of the gas lost, estimated in excess of \$5,000.
 - b. Emergency transmission pipeline shutdown.
 - c. News media inquiry.
 - d. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
 - e. Permanent or temporary discontinuance of gas service to a master meter system or when assisting with the isolation of any portion of a gas master meter system due to a failure of a leak test.

- f. Emergency shutdown of a LNG process or storage facility.
2. Operators of an intrastate pipeline transporting hazardous liquid will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
 - a. Death or personal injury requiring hospitalization.
 - b. An explosion or fire not intentionally set by the operator.
 - c. Property damage estimated in excess of \$5,000.
 - d. Pollution of any land, stream, river, lake, reservoir, or other body of water that violates applicable environmental quality, water quality standards, causes a discoloration of the surface of the water or adjoining shoreline, or deposits sludge or emulsion beneath the surface of the water or upon adjoining shorelines.
 - e. News media inquiry.
 - f. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
 - i. Not otherwise reportable under this section;
 - ii. Not one described in 49 CFR 195.52(a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix,

Arizona 85007 2200 North Central Avenue, Suite 300,
Phoenix, Arizona 85004.

- iii. Confined to company property or pipeline right-of-way;
and
- iv. Cleaned up promptly.

g. Any release of hazardous liquid or carbon dioxide, that was significant in the judgment of the operator even though it did not meet the criteria of any other paragraph of this section.

3. Telephone incident reports will include the following information:

- a. Name of the pipeline system operator,
- b. Name of the reporting party,
- c. Job title of the reporting party,
- d. The reporting party's telephone number,
- e. Location of the incident,
- f. Time of the incident, and
- g. Fatalities and injuries, if any.

C. Require written incident report:

1. Operators of an intrastate pipeline transporting natural gas, LNG or other gases will file a written incident report when an incident occurs involving a natural gas or other gas pipeline that results in any of the following:

- a. An explosion or fire not intentionally set by the operator.
- b. Injury to a person that results in 1 or more of the following:
 - i. Death.

- ii. Loss of consciousness.
 - iii. Need for medical treatment requiring hospitalization.
 - c. Property damage, including the value of the lost gas, estimated in excess of \$5,000.
 - d. Emergency transmission pipeline shutdown.
 - e. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
 - f. Emergency shutdown of a LNG process or storage facility.
- 2. Written incident reports concerning natural gas or other gas pipeline systems will be in the following form:
 - a. RSPA F7100.1 - Distribution System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - b. RSPA F7100.2 - Transmission and Gathering System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - c. Written incident reports with respect to LNG facilities will be in an

investigative form defining the incident and corrective action taken to prevent a reoccurrence.

3. Operators of an intrastate pipeline transporting hazardous liquid will make a written incident report on RSPA F 7000-1, (January 2001 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004, when there is a release of hazardous liquid which results in any of the following:
 - a. An explosion or fire not intentionally set by the operator.
 - b. Injury to a person that results in 1 or more of the following:
 - i. Death.
 - ii. Loss of consciousness.
 - iii. Inability to leave the scene of the incident unassisted.
 - iv. Need for medical treatment.
 - v. Disability which interferes with a person's normal daily activities beyond the date of the incident.
 - c. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
 - i. Not otherwise reportable under this section;

- ii. Not one described in 49 CFR 195.52 (a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - iii. Confined to company property or pipeline right-of-way; and
 - iv. Cleaned up promptly.
- d. Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$5,000.
 - e. News media inquiry.
4. Written incident reports as required in this Section will be filed with the Office of Pipeline Safety, within the time specified below:
- a. Natural gas, LNG or other gas - within 20 days after detection.
 - b. Hazardous liquids - within 15 days after detection.
5. The Operators shall also file a copy of all DOT required written incident reports with the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.
6. Operators of a natural gas or other gas pipeline system will request a clearance from the Office of Pipeline Safety prior to turning on or reinstating service to a master meter operator.

D. Investigations by the Commission:

1. The Office of Pipeline Safety will investigate the cause of incidents resulting in death or serious injury.
2. Pursuant to an investigation under this rule, the Commission, or an authorized agent thereof, may:
 - a. Inspect all plant and facilities of a pipeline system.
 - b. Inspect all other property, books, papers, business methods, and affairs of a pipeline system.
 - c. Make inquiries and interview persons having knowledge of facts surrounding an incident.
 - d. Attend, as an observer, hearings and formal investigations concerning pipeline system operators.
 - e. Schedule and conduct a public hearing into an incident.
3. The Commission may issue subpoenas to compel the production of records and the taking of testimony.
4. Incidents not reported in accordance with the provisions of this rule will be investigated by the Office of Pipeline Safety.
5. Incidents referred to in incomplete or inaccurate reports will be investigated by the Office of Pipeline Safety.
6. Late filed incident reports will be accompanied by a letter of explanation. Incidents referred to in late filed reports may be investigated by the Office of Pipeline Safety.

R14-5-204. Annual Reports

A. Except for operators of an intrastate pipeline transporting LNG, ~~hazardous liquid~~, all other intrastate pipeline operators will file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, the following appropriate report(s):

1. RSPA F 7000-1.1 (February 2004 and no future editions) – “Annual Report for calendar year 20___, hazardous liquid or carbon dioxide systems” and “Instructions for completing RSPA F 7000-1.1 Annual Report for calendar year 20___ hazardous liquid or carbon dioxide systems incorporated by reference, on file with the Secretary of State and copies available from the Commission Office of Pipeline Safety, 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, U.S. Department of Transportation, Room 2335, 400 Seventh Street, S.W., Washington, DC 20590.
- ~~1.~~ 2. RSPA F7100.1-1 (November 1985 Edition and no future editions) - "Annual Report for Calendar Year 20___, Gas Distribution System" and "Instructions for Completing RSPA Form F7100.1-1, Annual Report for Calendar Year 20___, Gas Distribution System", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.
- ~~2.~~ 3. RSPA F7100.2-1 (January 2002 Edition and no future editions) - "Annual Report for Calendar Year 20___, Gas Transmission and Gathering Systems" and "Instructions for Completing Form RSPA F7100.2-1, Annual Report for Calendar Year 20___,

Gas Transmission and Gathering Systems", incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.

- B. The operator will also file a copy of all required annual reports by March 15 to the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street S.W., Washington, D.C. 20590-0001.

R14-5-205. Master Meter System Operators

- A. Applicability. This rule applies to the construction, reconstruction, repair, emergency procedures, operation and maintenance of all master meter systems, as a condition of receiving service from public service corporations. Noncompliance with this rule by operators of a master meter system shall constitute grounds for termination of service by the public service corporation when informed in writing by the Office of Pipeline Safety. In case of an emergency, the Office of Pipeline Safety may give the public service corporation oral instructions to terminate service, with written confirmation to be furnished within 24 hours.
- B. Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 191 and 192, revised as of ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the

Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~
2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States
Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

- C.** The above mentioned incorporated parts of 49 CFR, except Part 191, are revised as follows:
1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration", or "Office of Pipeline Safety" (OPS) appear.
 2. Substitute Office of "Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the address for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation appears.
- D.** Operators of a master meter system will establish an Operation and Maintenance Plan (O & M) including an emergency plan. The plans must be maintained at the master meter system location.
- E.** Operators of a master meter system will not construct any part of a natural gas or other gas system under a building or permit a building to be placed over a pipeline. Within 180 days of discovery of a building being located over a pipeline, the operator shall remove the building from over the pipeline, relocate the pipeline or discontinue the service to the pipeline located under the building.
- F.** Operators of a master meter system will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their systems.
- G.** Operators of a master meter system will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~January 16, 2002~~ January 15,

2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.

- H. Operators of a master meter system that construct a pipeline or any portion thereof using plastic pipe will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- I. Operators of a master meter system that construct an underground pipeline ~~using plastic pipe~~, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- J. Operators of a master meter system that construct an underground pipeline using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95e.~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513 (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race

Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.

- K.** Operators of a master meter gas system shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A.
- L.** All repair work performed on existing master meter systems will comply with the provisions of this Article.
- M.** Operators of a master meter system will not construct any part of a natural gas or other gas system closer than 8 inches to any other underground structure.
- N.** Operators of a master meter system will file a Notice of Construction 30 days prior to commencement of the construction of any pipeline. The Notice will contain the following information:
 - 1. The dates of construction,
 - 2. The size and type of pipe to be used,
 - 3. The location of construction, and
 - 4. The Maximum Allowable Operating Pressure (MAOP).
- O.** Operators of a master meter system will perform leakage surveys at intervals not exceeding 15 months but at least once each calendar year and will survey and grade all detected leakage by the following guide -- ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 (1983 Revision and no future revisions), except 4.4(c), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix,

Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, New York 10017. ("Should" as referenced in the guide will be interpreted to mean "shall").

Leak detection procedures shall be approved by the Office of Pipeline Safety.

P. Operators of master meter system shall advise the Office of Pipeline Safety when a pipeline is removed that was or could have been involved in an accident/incident. The operator, when directed by the Office of Pipeline Safety, shall have the pipeline involved in the incident tested on a mutually agreed upon time frame and by a laboratory mutually agreed upon by the operator and the Office of Pipeline Safety. The operator shall notify the Office of Pipeline Safety with the location and time the laboratory will be conducting the required tests. This information shall be provided in advance of the test in a time frame to permit Pipeline Safety Staff member(s) the opportunity to witness the test. The test results from the laboratory shall be made available to the Office of Pipeline Safety within thirty (30) days of the operator having received the laboratory report.

P. Q. Operators of a master meter system will file an annual report with the Commission on Commission Form 1-90/15M (1990 Edition and no future editions), "Annual Report for Calendar Year 20___, Small Operators of Gas Distribution System," incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission, Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004. This report will be filed with the Office of Pipeline Safety not later than April 15 for the preceding calendar year.

Q. R. The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public safety.

R. S. To ensure compliance with provisions of this rule, the Commission or an authorized representative thereof, may enter the premises of an operator of a master meter system to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the operation of the master meter system.

S. T. All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.