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AZ CORP COMMISSION

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DOCUMENT CONTROL

MEMORANDUM

TO: M. Nancy Cole
Docket Control

FROM: Caroline Butler

DATE: April 20, 1999

RE: Notice of Proposed Rulemaking returned by the Secretary of State
RE-00000C-99-0028

The attached documents are to be filed in the above-captioned docket. These are for the official record only and need not be distributed to the service list.

Please call me if you have any questions (542-3402). Thank you.

cc: Ray Williamson
Ron Franquero
Peter Breen
Hearing Officer
File

Arizona Corporation Commission

DOCKETED

APR 20 1999

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APR 20 1999

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

Secretary of State
Public Services Division
1700 West Washington, 7th Floor
Phoenix, Arizona 85007
(602) 542-4086

MEMORANDUM

TO: Peter Breen, Attorney, Legal Division
AZ Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

FROM: Rhonda Paschal *R.P.*
Editor, *Arizona Administrative Register*

RE: *Register* Material

DATE: April 15, 1999

The item[s] listed below appeared in the April 2, 1999, issue of the *Register*.

- Notice of Proposed Rulemaking

If you detect any errors in the printing of these notices, please let me know. If you have any comments or questions, please contact me at (602) 542-4086.

R99-87 Apr. 2 1999

AGENCY CERTIFICATE

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SECRETARY OF STATE

- 1. **Agency name:** Arizona Corporation Commission
- 2. **Chapter heading:** Corporation Commission-Fixed Utilities
- 3. **Code citation for the Chapter:** 14 A.C.C. 2
- 4. **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	
R14-2-207	Amend
R14-2-208	Amend
Article 5	
R14-2-506	Amend
R14-2-507	Amend

- 5. **The rules contained in this package are true and correct as proposed.**

6. Stuart R. Brackney 3-11-99
 Signature of Agency Chief Executive Officer Date of signing
Stuart R. Brackney Acting Executive Secretary
 Printed or typed name of signer Title of signer

- 7. **No changes have been made to these rules since the Governor's Regulatory Review Council approved the rules. (This statement need only appear when the rules being submitted are final rules or summary rules approved by the Council.)** Not applicable by court order, *State of Arizona v. Arizona Corporation Commission*, 114 Ariz. Adv. Rep. 36 (Ct. App. 1992), these rules are exempt from the Attorney General certification provisions of the Arizona Administrative Procedure Act (A.R.S. § 41-1041).

Apr. 2
Reg.

NOTICE OF PROPOSED RULEMAKING

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

MAR 12 1 01 PM '99

CHAPTER 2: CORPORATION COMMISSION - FIXED UTILITIES SECRETARY OF STATE

PREAMBLE

1. Sections Affected Rulemaking Action

Article 2

R14-2-207 Amend

R14-2-208 Amend

Article 5

R14-2-506 Amend

R14-2-507 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 15

Implementing statute: Not applicable

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

Notice of Rulemaking Docket Opening

5 A.A.R. _____, March 19, 1999
Vol # Page # Issue Date

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

Name: Peter Breen, Attorney, Legal Division

Address: Arizona Corporation Commission

 1200 West Washington Street

 Phoenix, Arizona 85007

Telephone: (602) 542-3402

Facsimile Number: (602) 542-4870

Name: Ron Franquero, Utilities Consultant

Address: Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-7275

Facsimile Number: (602) 542-2129

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

This is an update of the Commission's rules to conform to the current standards of the National Electrical Safety Code. Some affected utilities have requested the update.

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:**

Not applicable

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

This rule will have a beneficial economic, small business, and consumer impact. It will allow the latest standards to be used while working on telecommunications and electrical cable. Contractors will not have to learn two sets of rules for regulated and unregulated entities. The latest edition of the rules allows for certain efficiencies in construction practices which would save money for contractors, utilities and consumers.

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: Peter Breen, Attorney, Legal Division

Address: Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Facsimile Number: (602) 542-4870

Name: Ron Franquero, Utilities Consultant

Address: Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-7275

Facsimile Number: (602) 542-2129

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:**

The amendments will be adopted by the Arizona Corporation Commission at a regularly scheduled Open Meeting. 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.

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:**

The National Electrical Safety Code, 1997-C2 of the American National Standard Institute Standards set minimum safety standards for the installation and maintenance of overhead and underground electric and communications facilities. The regulations may be found at the Arizona Corporation Commission, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007. These regulations are incorporated by reference in the amended rules at R14-2-207(E)(3)(c), R14-2-208(F)(1), R14-2-506(E)(3)(c) and R14-2-507(E)(1).

13. **The full text of the rules follows:**

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

CHAPTER 2: CORPORATION COMMISSION – FIXED UTILITIES

ARTICLE 2. ELECTRIC UTILITIES

- R14-2-207. Line Extensions
- R14-2-208 Provision of Service

ARTICLE 5. TELEPHONE UTILITIES

- R14-2-506. Construction Agreement
- R14-2-507. Provision of Service

ARTICLE 2. ELECTRIC UTILITIES

R14-2-207. Line Extensions

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. Single phase underground extensions in subdivision developments.
 - 1. No change.
 - 2. No change.
 - 3. Installation of single phase underground electric lines within a subdivision.
 - a. No change.
 - b. No change.
 - c. The utility shall install or cause to be installed underground electric lines and related equipment in accordance with the applicable provisions of the ~~1993~~ 1997 edition (and no further editions) of ANSI C2 (National Electrical Safety Code) with sufficient capacity and suitable materials which shall assure adequate and reasonable electric service in the foreseeable future. ANSI C2 is incorporated by reference, and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.
 - d. No change.
 - 4. No change.
 - 5. No change.

R14-2-208. Provision of Service

- A. No change.
- B. No change.
- C. No change.
- D. No change.

E. No change.

F. Construction standard and safety

1. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State, and the 1995 edition (and no future editions) of ANSI B31.1 (ASME Code for Pressure Piping), incorporated by reference and on file with the Office of the Secretary of State. Copies of the National Electrical Safety Code are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017. Copies of the ASME Code for Pressure Piping are available from the American Society of Mechanical Engineers, 345 East 47th Street, New York, New York 10017.

2. No change.

ARTICLE 5. TELEPHONE UTILITIES

R14-2-506. Construction Agreement

A. No change.

B. No change.

C. No change.

D. No change.

E. Underground extension of communication lines

1. No change.

2. No change.

3. Installation of underground communication lines within subdivision and multiple occupancy residential developments:

a. No change.

b. No change.

c. The utility shall install or cause to be installed underground communication lines and related equipment in accordance with the applicable provisions of the 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code) ~~as heretofore or~~

~~hereafter amended~~, with sufficient capacity and suitable materials which shall assure adequate and reasonable communication service in the foreseeable future.

d. No change.

4. No change.

F. No change.

G. No change.

R14-2-507. Provision of Service

A. No change.

B. No change.

C. No change.

D. No change.

E. Construction Standards

1. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.

INFORMATIVE SUMMARY

The Arizona Corporation Commission proposed to amend the "Corporation Commission – Fixed Utilities" Rules R14-2-207, R14-2-208, R14-2-506, and R14-2-507. The proposed amendments update Commission rules to require use of the latest version of the National Electrical Safety Code.

The Commission's Rules recognize federal changes to ANSI C2, National Electrical Safety Code.

STATEMENT OF EFFECT ON SMALL BUSINESS

The proposed rule should have a mildly beneficial effect on small business. Contractors working around affected wires would only use one electrical code for regulated and unregulated entities. The new code allows certain cost-saving construction techniques to be used.

ECONOMIC IMPACT STATEMENT
PER A.R.S. SECTION 41-1053

1. **BRIEF DESCRIPTION:** These amendments will amend already existing rules (R14-2-207, R14-2-208, R14-2-506, and R14-2-507) under Chapter 2 entitled "Corporation Commission – Fixed Utilities".

The proposed amendments to the existing rules are designed to update the Arizona Corporation Commission Fixed Utilities rules to recognize the amendments to ANSI C2, National Electrical Safety Code (the federal safety standards for overhead and underground electric and telecommunication facilities.)

2. **NEED:** Construction code needs to be updated to conform to current industry standard.
3. **AFFECTED CLASSES OF PERSONS:** Electric utilities and telecommunications companies subject to the jurisdiction of the Commission.
4. **RULE IMPACT ON AFFECTED CLASSES OF PERSONS:** This rule should allow the affected utilities to use the latest version of the National Electrical Safety Code.
5. **COST AND BENEFITS TO THE AGENCY:** There is no benefit to the agency as an institution. This rule should help carry out the agency's mission of efficient governance.
6. **COST AND BENEFITS TO POLITICAL SUBDIVISIONS:** Not applicable.
7. **COST AND BENEFITS TO PRIVATE PERSONS:** This should allow contractors to utilities to use only one electrical safety code as they presumably do in their operations with unregulated entities.
8. **COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES:** Lower costs to providers means lower costs to consumers.

9. **LESS COSTLY OR INTRUSIVE METHODS:** None.
10. **ALTERNATIVE METHODS CONSIDERED:** There are no less costly alternatives available.