

OPEN MEETING ITEM



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ORIGINAL

MEMORANDUM

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DOCUMENT CONTROL

TO: The Commission
FROM: Utilities Division
DATE: February 26, 1999
RE: NOTICE OF PROPOSED AMENDMENT TO CONFORM TO NATIONAL ELECTRICAL SAFETY CODE EDITION (DOCKET NO. RE-00000C-99-0028)

Staff is proposing amendments to the Rules governing Electric Utilities and Telephone Utilities to accomplish the following:

- Update the Rules by incorporating by reference the most recent edition to the National Electrical Safety Code ("NESC").

The proposed amendments will conform to the most recent edition of the National Electrical Safety Code, which is required by the Commission's Agreement with the American National Standards Institute ("ANSI").

Staff believes that the proposed amendments will be beneficial to the general public by maintaining the safe installation and operation of electric and telecommunication facilities. Therefore, Staff recommends that the 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 amendments to the Rules no earlier than May 3, 1999, or as soon as practicable thereafter, in Phoenix or Tucson, Arizona.

Ray T. Williamson

Ray T. Williamson
Acting Director
Utilities Division

RTW:RAF:js/PB

ORIGINATOR: Ron Franquero

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 JIM IRVIN
Commissioner-Chairman
3 TONY WEST
Commissioner
4 CARL J. KUNASEK
Commissioner

5
6 IN THE MATTER OF THE PROPOSED)
AMENDMENT TO CONFORM TO NATIONAL)
7 ELECTRICAL SAFETY CODE EDITION)
8 _____)

DOCKET NO. RE-00000C-99-0028

DECISION NO. _____

ORDER

9 Open Meeting
10 March 9-10, 1999
Phoenix, Arizona

11 BY THE COMMISSION:

12 **FINDINGS OF FACT**

13 1. On January 19, 1999, Arizona Corporation Commission Staff opened Docket No.
14 RE-00000C-99-0028, and forwarded to the Commission proposed amendments to A.A.C. R14-2-
15 207, R14-2-208, R14-2-506, and R14-2-507.

16 2. R14-2-207, R14-2-208, R14-2-506, and R14-2-507 reference the American National
17 Standards Institute, C2, National Electrical Safety Code 1993 edition, which has been updated.

18 3. Staff has recommended that the proposed amendments to the Rules be forwarded to
19 the Secretary of State for publication of the Notice of Proposed Rulemaking. Staff has also
20 recommended that the Hearing Division schedule a hearing on the proposed amendments to the
21 Rules in Phoenix or Tucson, Arizona, no sooner than May 3, 1999.

22 **CONCLUSION OF LAW**

23 The Commission has the authority for the proposed rule under A.R.S. §§ 40-202, 40-
24 203, 40-321, 40-441 and 40-442 et seq. and under the Arizona Constitution, art. XV, Sections 1, 2,
25 3, 4, 6, 7, and 9.

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1 SERVICE LIST FOR:

PROPOSED AMENDMENT TO CONFORM TO
NATIONAL ELECTRICAL SAFETY CODE EDITION

2 DOCKET NO.:

RE-00000C-99-0028

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NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;

SECURITIES REGULATION

CHAPTER 2: CORPORATION COMMISSION -- FIXED UTILITIES

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. 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

4. 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.

5. 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

6. 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.

7. 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

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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

- 8. The time, place, and nature of the proceedings for the adoption, 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 entitles/individuals on the service list accompanying the Commission Decision authorizing the filing of the Notice of Proposed Rulemaking with the Secretary of State.

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

None

- 10. 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).

- 11. The full text of the rules follow:**

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.