

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION
RECEIVED

COMMISSIONERS

BOB STUMP - CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2013 JUN -5 P 3:47
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE PROPOSED
AMENDMENTS TO THE PIPELINE SAFETY
RULES A.A.C. R14-5-201, R14-5-202, R14-5-
203, R14-5-204 AND R-14-5-205 AND THE
ADDITION OF NEW RULES R14-5-206 AND
R14-5-207.

DOCKET NO. RG-00000A-13-0049

**NOTICE OF FILING
STAFF AMENDMENT**

Staff hereby provides notice of filing the attached proposed amendment to the Staff proposed order that was docketed in this matter on May 29, 2013. The amendment corrects typographical errors in both the proposed order and the attached rules as well as making clarifying edits and provides an attachment that was omitted from the proposed rules.

RESPECTFULLY SUBMITTED this 5th day of June, 2013.

Charles H. Hains
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies of
the foregoing filed this 5th day of
June, 2013, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUN 05 2013

DOCKETED BY

1 Copy of the foregoing mailed this
2 5th day of June, 2013, to:

3 Robert E. Miller
4 Arizona Corporation Commission
5 Safety Division
6 2200 North Central Ave., Suite 300
7 Phoenix, Arizona 85004

8 Mr. Charles G. Taylor, Jr., President & CEO
9 Local Gateway Exchange, Inc.
10 700 North Pearl, Suite 200
11 Dallas Texas 75201

12 Ms. Connie Wightman
13 Technologies Management, Inc.
14 210 North Park Avenue
15 Winter Park, Florida 32789

16 Mr. Frank Perkins, Plant Manager
17 Arizona Public Service Company
18 Post Office Box 53999
19 Mail Station 4120
20 Phoenix, Arizona 85072-3999

21 Mr. Bill Watson, Jr.
22 Compliance Auditor
23 Mineral Park Mine
24 8275 North Mineral Park Rd.
25 Golden Valley, Arizona 86413

26 Mr. Robert Marvin
27 Director – Safety Division
28 Arizona Corporation Commission
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Benson, Arizona 85602

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Manager
Alliance Propane
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Page, Arizona 86040

Mr. James Payne
District Manager
Alliance Propane
200 West Longhorn Road
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Facilities Supervisor
Plains LPG Services, L.P.
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Waddell, Arizona 85355

Mr. Scott Sill
Vice President
Plains LPG Services, L.P.
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Canada T2P OA7

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Utilities Supervisor
Copper Market Incorporated
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Swissport Fueling Inc.
4200 East Airline Drive
Phoenix, Arizona 85034

Mr. Don Esperson
Pipeline Manager
Swissport Fueling Inc.
4200 East Airline Drive
Phoenix, Arizona 85034

1 Mr. Mike Pearce
2 General Manager
3 Duncan Rural Service Cooperative
4 Post Office Box 440
5 379597 AZ HWY 75
6 Duncan, Arizona 85534

7 Mr. Tom Meek
8 Compliance
9 Kinder Morgan – El Paso Natural Gas
10 8725 Alameda Park Dr., N.E.
11 Albuquerque, New Mexico 87113

12 Mr. Steve Marositz
13 Compliance
14 Kinder Morgan – El Paso Natural Gas
15 2319 South Riverside Ave.
16 Bloomington, California 92316

17 Mr. Steve Lines
18 General Manager
19 Graham County Utilities, Inc.
20 Post Office Drawer B
21 Pima, Arizona 85543

22 Mr. Frank McRae
23 Director of Energy Resources
24 City of Mesa
25 Post Office Box 1466
26 Mesa, Arizona 85211-1466

27 Mr. Eric Buckley
28 Utilities Director
City of Safford
Post Office Box 272
Safford, Arizona 85548

29 Mr. Nathan Shelly
30 General Manager
31 Unisource Energy
32 2901 W. Shamrell Blvd, Suite 110
33 Flagstaff, Arizona 86001

34 Mrs. Debra Gallo
35 Manager Regulatory Affairs
36 Southwest Gas Corporation
37 Post Office Box 98510
38 Las Vegas, Nevada 89193-8510

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City of Willcox
250 N. Railroad Avenue
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Applied LNG Technologies
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Kingman, Arizona 86413

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Vice President/General Manager
Nucor Steel Utah
Post Office Box 100
Plymouth, Utah 84330

Mr. Stephen Swan
Engineering Manager
Pinalco Aerospace Aluminum
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Chandler, Arizona 85226

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Queen Creek, Magma Gas Area
Building Safety Division
Post Office Box 827
31 North Pinal St., Bldg. D
Florence, Arizona 85232

Mr. Greg Merdick
Cox Communications
Community Relations
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Phoenix, Arizona 85027

Chris Dyrek
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4120 E. Valley Auto Dr.
Mesa, Arizona 85206

1 Jones Intercable
2 Regulatory Division
3 8251 North Cortaro Road
4 Tucson, Arizona 85743-9599

4 Tucson Electric Power
5 Legal Department – DB203
6 220 West 6th Street
7 Post Office Box 711
8 Tucson, Arizona 85072

7 Mr. David Martin
8 Association of General Contractors
9 1825 West Adams
10 Phoenix, Arizona 85007

10 Mr. Clark Tartar and Mr. Frank Harris
11 Arizona Pipeline Company
12 3111 West Lincoln Street
13 Phoenix, Arizona 85009

13 Mr. Jim Gholson
14 Northern Pipeline Construction Co.
15 3024 West Weldon Avenue
16 Phoenix, Arizona 85017

16 Mr. Walt Jones
17 Henkles and McCoy, Inc.
18 21601 North 3rd Avenue
19 Phoenix, Arizona 85027-2907

19 City of Mesa
20 Building Inspections
21 Post Office Box 1466
22 Mesa, Arizona 85211-1466

22 ASARCO Incorporated
23 c/o Webb Crocket, Esq.
24 Fennemore Craig
25 3003 North Central Avenue, Suite 2600
26 Phoenix, Arizona 85012

25 The Arizona Utility Group
26 Bill Parry-Chairman
27 6405 Wilkinson Dr.
28 Prescott, Arizona 86301

Mr. John H. Shorbe, Sr.
Southern Arizona Home
Builders Association
2840 North Country Club Road
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Mr. John Richardson, ParkManager
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President
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1420 – D Church Street
Bokemia, New York 11716

1 Mr. Steve Chasse
2 Abbott RPD Manager
3 Utility & Facility Manager
4 Abbott Labs
5 1250 West Maricopa Highway
6 Casa Grande, Arizona 85222

7 Mr. Scott Vickers
8 Manager, Compliance
9 Calpine Pipeline Company
10 3779 Courtwright Road
11 P. O. Box 5619
12 Mohave Valley, Arizona 86440

13 Mr. Justin B. Jessop
14 Gas Department Supervisor
15 Colorado City Gas
16 Post Office Box 840809
17 Hildale, Utah 84784
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Mr. Robert Stone
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Gila River, L.P.
P. O. Box 798
Gila Bend, Arizona 85337

Mr. Ray Latchem
President
Desert Gas Services
8505 South Elwood Avenue, #123
Tulsa, Oklahoma 74132

Roseann Osorio

SAFETY DIVISION PROPOSED AMENDMENT #1

TIME/DATE PREPARED: June 5, 2013, 12:00 p.m.

COMPANY: Pipeline Safety Rulemaking

AGENDA ITEM NO.:

DOCKET NO.: RG-00000A-13-0049

OPEN MEETING:DATE: 6/11/13 & 6/12/13

In the Proposed Order following Staff's Memorandum:

Page 8, Line 11:

DELETE: Line 11 in its entirety

INSERT: "Secretary of State by June 14, 2013, for publication in the *Arizona Administrative Register* no later than July 5,"

Page 8, Line 15:

DELETE: Line 15 in its entirety

INSERT: "Based on consultation with the Hearing Division, Staff recommends that the Commission direct the Hearing Division to hold an oral proceeding to receive public"

Page 8, Line 16:

DELETE: "August 5"

INSERT: "August 9"

Page 8, Line 20:

DELETE: "July 26, 2013;"

INSERT: "August 9, 2013,"

Page 8, Line 21:

DELETE: "August 5"

INSERT: "August 9"

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

Page 9, Lines 4 through 6:

DELETE: all text after “jurisdiction”

INSERT: “to revise the Pipeline Safety Rules in A.A.C. Title 14, Chapter 5, Article 2 as reflected in Exhibit A.”

Page 9, Line 8, after “appropriate”:

INSERT: “and in the public interest”

Page 9, Line 15 through 16:

DELETE: all text following “that”

INSERT: “the Hearing Division shall hold an oral proceeding to receive public comment on the Notice of Proposed Rulemaking on August 9, 2013, at 10:00 a.m. or as soon as”

Page 9, Line 20:

DELETE: “August 5, 2013; and/or”

INSERT: “August 9, 2013, and”

Page 9, Line 21:

DELETE: “August 5”

INSERT: “August 9”

Page 9, Line 23:

DELETE: “41-1001(14)”

INSERT: “41-1001(15)”

Page 9, Line 28 through Page 10, Line 2:

DELETE: the existing text

INSERT: “comments should be filed with the Commission’s Docket Control by August 9, 2013; and (3) that oral comments may be provided at the oral proceeding to be held on August 9, 2013.”

Page 10, Line 6:

DELETE: “August 26, 2013,”

INSERT: “July 5, 2013,”

Page 10, Line 10:

DELETE: “September 30,”

INSERT: “September 3,”

Page 10, Lines 13 through 14:

DELETE: the existing text

INSERT: “Decision and August 9, 2013, and of any oral comments provided at the oral proceeding in this matter; (2) the Safety Division’s responses to those comments; and (3) a revised Economic, Small Business, and Consumer Impact Statement or a memorandum explaining why no revision of the prior filed Economic, Small Business, and Consumer Impact Statement is needed.”

Page 10, Line 15:

INSERT, as a new ordering paragraph:

“IT IS FURTHER ORDERED that this Decision shall become effective immediately.”

In Exhibit A to the Proposed Order, the Text of the Rules:

Page 2, R14-5-201, stricken subsection (1), third line:

DELETE: the stricken and underlined comma

Page 5, R14-5-202, Section heading:

DELETE: “for Gas, LNG, and Hazardous Liquid Pipeline Systems”

INSERT: “for Gas, LNG, and Hazardous Liquid Pipeline Systems”

Page 5, R14-5-202, subsection (B), third line:

DELETE: “49 CFR 40,”

INSERT: “49 CFR 40₅₂”

Page 6, R14-5-202, subsection (C), first and second lines:

DELETE: “Parts 191, 192.727 (g)(1), 192.913 (b)(1)(vii), 192.943(a), 192.949 (a)(b), 192.951, 193 Subpart A and 195 Subpart”

INSERT: “Parts 49 CFR 191; ; 49 CFR 192.727(g)(1), 192.913(b)(1)(vii), 192.943(a), 192.949(a)-(b), and 192.951; 49 CFR 193 Subpart A; and 49 CFR 195 Subpart Subparts”

Page 6, R14-5-202, subsection (E), fourth and fifth lines:

DELETE: “, and are on file with the Office of Pipeline Safety”

Page 8, R14-5-202, subsection (H), fifth line:

DELETE: “being disconnected”

INSERT: “being disconnected.”

Page 11, R14-5-202, subsection (P), fourth line:

DELETE: “49 CFR 192.7”

INSERT: “49 CFR 192.7.”

Page 11, R14-5-202, subsection (Q), second and third lines:

DELETE: the existing text

INSERT: “~~pipeline system shall survey and grade all detected leakage by the following guide: according to the standards provided below, which modify 49 CFR 192.706 and 192.723: ASME Guide for Gas Transmission and Distribution Pipeline System;~~”

Page 11, R14-5-202, subsection (Q), fifth line:

DELETE: “~~revisions) incorporated~~”

INSERT: “~~revisions), incorporated~~”

Page 11, R14-5-202, subsection (Q)(1), fifth and sixth lines:

DELETE: “the Office of Pipeline Safety and published by and available from ASME, Three Park Avenue, New York, NY 10016-5990 and modified by omitting 4.4(c) and by”

INSERT: “the Office of Pipeline Safety; published by and available from ASME, Three Park Avenue, New York, NY 10016-5990; and modified by omitting 4.4(c) and by”

Page 11, R14-5-202, subsection (Q)(2), fifth and sixth lines:

DELETE: “Pipeline Safety and published by and available from ASME, Three Park Avenue, New York, NY 10016-5990”

INSERT: “Pipeline Safety; published by and available from ASME, Three Park Avenue, New York, NY 10016-5990; and modified by replacing “should” with “shall” each time it appears.”

Page 14, R14-5-202, subsection (S), third line:

DELETE: “replaced or repaired”

INSERT: “replaced, or repaired”

Page 20, R14-5-203, subsection (C)(1)(a), second line:

DELETE: “~~natural gas, other gas,~~ or LNG”

INSERT: “gas or LNG”

Page 20, R14-5-203, subsection (C)(1)(b):

DELETE: the existing text

INSERT the following:

“b. An incident involving an evacuation, outage, or property damage and resulting in expenses including the value of any released gas and of restoring service or evacuation estimated in excess of \$25,000;”

Page 21, R14-5-203, subsection (C)(3), tenth line:

DELETE: “R14-5-203 (B)(2)”

INSERT: “R14-5-203(B)(2)”

Page 22, R14-5-203, stricken subsection (C)(3)(b)(v):

DELETE: the existing text

INSERT the following:

~~“v. Disability which interferes with a person’s normal daily activities beyond the date of the incident.”~~

Page 22, R14-5-203, stricken subsection (C)(3)(c)(iv):

DELETE: the existing text

INSERT the following:

~~“iv. Cleaned up promptly.”~~

Page 22, R14-5-203, subsection (C)(4)(a) and (b):

DELETE: the existing text

INSERT the following:

- a. ~~Natural~~ For gas, an LNG or other gas— incident, within 20 days after detection; and
- b. ~~Hazardous liquids—~~ For a hazardous liquid incident, within 15 days after detection.”

Page 24, R14-5-204, subsection (A)(2), seventh line:

DELETE: “, January”

INSERT: “ January”

Page 26, R14-5-207, subsection (A), second and third lines:

DELETE: the existing text

INSERT: “emergency procedures, operation, and maintenance of all master meter systems, ~~as a condition of receiving service from public service corporations.~~”

Page 26, R14-5-204, new subsection (B), first line:

DELETE: the existing text

INSERT the following:

“B. An operator of a master meter system shall comply with this Section as a condition of receiving service from a provider. Noncompliance with this Section by an operator of a master meter system constitutes”

Page 27, R14-5-207, subsection (D)(1), first line:

DELETE: “~~(O&M)~~”

Page 29, R14-5-207, subsection (J), second line:

DELETE: “shall ~~perform have~~”

INSERT: “shall perform”

Page 30-31, R14-5-207, new subsection (O):

DELETE: the existing text

INSERT the following:

- “O. An operator of a master meter system shall:
1. Perform leakage surveys at intervals not exceeding 15 months, but at least once each calendar year, using leak detection procedures approved by the Office of Pipeline Safety;
 2. Except for LPG, perform each leakage survey in accordance with ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983, other than 4.4(c), as incorporated by reference in R14-5-202(Q);
 3. For LPG, perform each leakage survey in accordance with ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11A-1983, as incorporated by reference in R14-5-202(Q); and
 4. Repair each grade 1 leak immediately upon discovery, each grade 2 leak within 30 days of discovery, and each grade 3 leak within one year of discovery.”

Page 36, R14-5-207, subsection (Q)(1)(c), first line:

DELETE: “~~gas~~”

On a new page after Page 37:

INSERT, as a new Exhibit A to the Rules:

Commission Form MM-04: “Annual Report for Calendar Year 20___,
Small Operators of Gas Distribution System”
(referenced in R14-5-207(Q)(3))

Make all conforming changes.

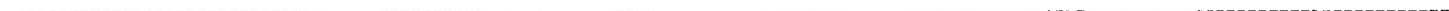
Exhibit A

WILL NOT
BE
DELIVERED
WITHOUT
PROPER
POSTAGE

**ARIZONA CORPORATION COMMISSION
OFFICE OF PIPELINE SAFETY – GAS SAFETY PROGRAM
2200 NORTH CENTRAL AVENUE, SUITE #300
PHOENIX, ARIZONA 85004**



fold here



fold here

**ARIZONA CORPORATION COMMISSION PIPELINE SAFETY
TO BE FILED NO SOONER THAN JANUARY 1, AND NO LATER THAN APRIL 15, of current year**

**ANNUAL REPORT FOR CALENDAR YEAR _____
SMALL OPERATORS OF GAS DISTRIBUTION SYSTEM**

FACILITY INFORMATION

OPERATOR/OWNER

NAME OF FACILITY _____

NAME _____

ADDRESS OF FACILITY _____

ADDRESS _____

CITY _____

COUNTY _____

CITY _____

STATE _____

ZIP CODE _____

STATE _____

ZIP CODE _____

FACILITY E-MAIL ADDRESS _____

OPERATOR E-MAIL ADDRESS _____

AREA CODE _____

TELEPHONE _____

AREA CODE _____

TELEPHONE _____

FACILITY TYPE: MHP _____ APT/CONDO _____ SCHOOL _____ BUSINESS _____ # OF BLDG _____

SYSTEM INFORMATION

**FEET OF
PIPE**

FOR UNDERGROUND STEEL SYSTEMS

DATE OF LAST C/P CHECK IN _____

____ / ____ / ____

(If no tests were conducted in _____, please write "None Conducted")

UNDERGROUND STEEL PIPE

ABOVEGROUND STEEL PIPE

UNDERGROUND PE PLASTIC PIPE

UNDERGROUND PVC PLASTIC PIPE

**DATE OF LEAK SURVEY CONDUCTED
IN 20 _____**

____ / ____ / ____

(If no tests were conducted in _____, please write "None Conducted")

**TOTAL LEAKS IN SYSTEM
DURING LAST CAL. YEAR _____**

CAUSE:

CORROSION _____

THIRD PARTY DAMAGE _____

CONSTRUCTION DEFECT _____

MATERIAL DEFECT _____

OTHER _____

**NUMBER OF KNOWN LEAKS
AT END OF YEAR _____**

TOTAL FEET OF PIPE IN SYSTEM

NOTE: (if you have any comments or concerns, please note in this box)

PREPARED BY (TYPE OR PRINT) _____

AREA CODE _____

TELEPHONE _____

NAME AND TITLE PERSON SIGNING _____

AUTHORIZED SIGNATURE _____

**MAIL TO: 2200 N. Central Ave., Suite #300, Phoenix, Arizona 85004
FAX TO: (602) 262-5620 – OR EMAIL TO: safety@azcc.gov**