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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

NOV 25 2015

DOCKETED BY

IN THE MATTER OF THE PROPOSED
AMENDMENTS TO THE PIPELINE SAFETY
RULES A.A.C. R14-5-202, R14-5-203, R14-5-204,
R14-5-205, AND R14-5-207.

DOCKET NO. RG-00000A-15-0098

DECISION NO. 75339

ORDER

BY THE COMMISSION:

This order concerns supplemental rulemaking to modify Arizona Administrative Code (“A.A.C.”) Title 14, Chapter 5, Article 2, the Arizona Corporation Commission (“Commission”) rules for Pipeline Safety, by amending A.A.C. R14-5-202, R14-5-203, R14-5-204, R14-5-205, and R14-5-207. The primary purpose of this rulemaking is to bring the Commission’s Pipeline Safety rules into compliance with federal requirements by updating the rules’ incorporations by reference of various parts of Title 49 of the Code of Federal Regulations (“49 CFR”) and associated forms. The other modifications to the rules are designed to make the rules more clear, concise, and understandable.

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

Procedural History

1. On March 24, 2015, the Commission’s Legal Division (“Legal”) filed a memorandum requesting, on behalf of the Commission’s Safety Division (“Staff”), that a docket be opened for the purpose of proposing amendments to the Pipeline Safety rules, A.A.C. R14-5-202, R14-5-203, R14-5-204, and R14-5-207. As a result, the above-captioned docket was opened.

1 2. On March 31, 2015, Staff issued a memorandum describing Staff's recommended
2 modifications to the Pipeline Safety rules and including a proposed order for Commission consideration
3 at the Open Meeting of April 14 and 15, 2015. In the proposed order, Staff recommended that the
4 Commission commence the formal rulemaking process by filing a Notice of Rulemaking Docket
5 Opening ("NRDO") and Notice of Proposed Rulemaking ("NPRM") with the Office of the Secretary
6 of State for publication in the *Arizona Administrative Register*, provided the text of Staff's
7 recommended rule modifications, and provided Staff's recommended schedule for the rulemaking
8 process.

9 3. On April 13, 2015, Staff filed Safety Division Proposed Amendment No. 1 ("Staff
10 Amendment No. 1"). Staff Amendment No. 1 added a minor proposed amendment to A.A.C. R14-5-
11 205, corrected typographical errors, and revised the recommended schedule for the rulemaking process.

12 4. At the Commission's Open Meeting on April 13, 2015, the Commission approved the
13 proposed order, as amended by Staff Amendment No. 1.

14 5. On April 15, 2015, Staff filed a Notice of Errata stating that the caption for this matter
15 should include R14-5-205.¹

16 6. On April 23, 2015, Decision No. 75023² was issued, directing Staff to prepare and file
17 with the Office of the Secretary of State, for publication in the *Arizona Administrative Register* no later
18 than May 15, 2015, an NRDO and an NPRM including the text of Staff's recommended rule
19 modifications as included in the Decision. The Decision also required that an oral proceeding on the
20 NPRM be held in Phoenix on June 18, 2015; established dates for the submission of comments; and
21 established other procedural deadlines and requirements.

22 7. On April 27, 2015, Staff filed Notice of Filing Staff Suggested Service List, including
23 a list of stakeholders Staff believed appropriate to include on the service list for this matter.

24 8. On May 15, 2015, the NRDO and NPRM were published in the *Arizona Administrative*
25 *Register*.

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28 ¹ The Commission's Docket Control Center revised the caption accordingly.

² Official notice is taken of this Decision.

1 9. On June 18, 2015, an oral proceeding for this matter was held before a duly authorized
2 Administrative Law Judge of the Commission at the Commission's offices in Phoenix, Arizona. Staff
3 appeared through counsel. Robert Miller, Pipeline Safety Supervisor, provided a statement concerning
4 the rulemaking. No members of the public attended to provide oral comment.

5 10. No members of the public provided written comments on the NPRM.

6 11. On July 8, 2015, Staff filed an Economic, Small Business, and Consumer Impact
7 Statement ("EIS"), along with a copy of the published NPRM.

8 12. On July 10, 2015, a Recommended Opinion and Order ("ROO") was issued by the
9 Commission's Hearing Division, for consideration at the Open Meeting of August 18 and 19, 2015.
10 The ROO recommended that the proposed rules be adopted, with modifications to the date parenthetical
11 for the 49 CFR Parts incorporated by reference in R14-5-202(B) and the date parenthetical for a U.S.
12 Department of Transportation Pipeline and Hazardous Material Safety Administration ("PHMSA")
13 form referenced in R14-5-204(A)(2). The modifications did not change the persons affected by the
14 rules, the subject matter of the rules, the issues determined by the rules, or the effects of the rules. The
15 ROO found that the modifications did not constitute a substantial change under A.R.S. § 41-1025.

16 13. At Open Meeting on August 18, 2015, the Commission considered and voted to approve
17 the ROO.

18 14. On August 26, 2015, Decision No. 75250³ was issued, adopting rule language for a
19 Notice of Final Rulemaking ("NFRM") and directing Staff to prepare and file an NFRM package with
20 the Office of the Attorney General for certification under A.R.S. § 41-1044. The Decision required
21 Staff to include in the NFRM's Preamble language demonstrating the need for an immediate effective
22 date for the rulemaking as provided under A.R.S. § 41-1032.

23 15. On September 16, 2015, Staff filed a Memorandum showing that the NFRM package
24 had been filed with the Office of the Attorney General.

25 16. Subsequent to the filing of the NFRM package, Legal was notified that the Office of the
26 Attorney General considered the modification to the 49 CFR date parenthetical adopted in Decision
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28 ³ Official notice is taken of this Decision.

1 No. 75250 for the NFRM to constitute a substantial change under A.R.S. § 41-1025. The Office of the
 2 Attorney General indicated that the Commission could complete an emergency rulemaking, under
 3 A.R.S. § 41-1026, to make the rule changes adopted in Decision No. 75250 effective pending
 4 completion of additional regular rulemaking.

5 17. On October 19, 2015, Staff filed a Notice of Filing Staff Proposed Order Approving
 6 Emergency Rulemaking.

7 18. On October 20, 2015, Safety Division Proposed Amendment # 1 was filed.

8 19. On October 20, 2015, at the Commission's Staff Open Meeting, the Order was passed
 9 as revised by Safety Division Proposed Amendment #1.

10 20. On October 22, 2015, Decision No. 75289⁴ was issued, directing Staff/Legal, by
 11 October 23, 2015, to prepare and file with the Office of the Attorney General an Emergency
 12 Rulemaking package conforming to the requirements of A.R.S. § 41-1001(16), A.R.S. § 41-1026, and
 13 A.A.C. R1-1-701; adopting the text of A.A.C. Title 14, Chapter 5, Article 2, as revised in Exhibit B to
 14 Decision No. 75250; including a copy of Decision No. 75289 along with any additional documentation
 15 required by the Office of the Attorney General for approval under A.R.S. § 41-1026; and making the
 16 rule revisions therein effective immediately upon filing with the Office of the Secretary of State.

17 21. On October 22, 2015, Staff/Legal filed an Emergency Rulemaking package with the
 18 Office of the Attorney General.

19 **Purpose of the Rulemaking**

20 22. The purpose of the rulemaking in this Docket is to bring the Commission's Pipeline
 21 Safety rules up to the current standards promulgated by PHMSA, which will benefit the public health,
 22 safety, and welfare because the Commission's Pipeline Safety rules establish construction and safety
 23 standards for gas, liquefied natural gas ("LNG"), and hazardous liquid pipeline systems and for master
 24 meter systems. The rules are designed to protect all residents of and visitors to the State of Arizona by
 25 establishing standards to ensure that the handling and transportation of gas, LNG, and hazardous liquids
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28 ⁴ Official notice is taken of this Decision.

1 are conducted in the safest manner possible. Using the current safety standards established by the
2 federal government helps to ensure that the Commission's rules can accomplish this.

3 23. Adopting the current safety standards established by PHMSA also allows the
4 Commission's Pipeline Safety program to maintain its certification as an agent of PHMSA for purposes
5 of inspecting and enforcing pipeline safety requirements for intrastate and interstate natural gas and
6 hazardous materials pipelines located within Arizona. This certification makes the Commission's
7 Pipeline Safety program eligible to receive federal grant funding for up to 80 percent of its annual
8 program costs. Failure to update the Commission's Pipeline Safety rules by adopting the current
9 federal standard before January 1, 2016, would violate the federal requirement for a state authority to
10 adopt the applicable federal pipeline safety standards.⁵ Such failure could result in the Pipeline Safety
11 program's loss of federal certification and of federal grant funding. This would constitute an imminent
12 budget reduction and would result in serious prejudice to the public interest, which is best served by a
13 robust Pipeline Safety program that has sufficient resources to enforce the current federal safety
14 standards.

15 **Authority for the Rulemaking**

16 24. As the Commission previously determined in Decision No. 75250 and Decision No.
17 75289, the Commission was authorized to make the changes reflected in the NFRM and emergency
18 rulemaking under both its constitutional authority and its statutory authority endowed by the
19 legislature—specifically pursuant to Article 15, § 3 of the Arizona Constitution (“Art. 15, § 3”) and
20 A.R.S. §§ 40-441, 40-202(A), 40-203, 40-321(A), 40-322, and 40-336.⁶ The same legal authority
21 supports the Commission's issuance of the supplemental rulemaking approved herein.

22 **Administrative Procedural Act and Related Requirements**

23 25. The Commission is an “agency” under the Administrative Procedure Act (“APA”),
24 A.R.S. Title 41, Chapter 6 (A.R.S. §§ 41-1001 through 41-1092.12) and is generally subject to APA
25 requirements.

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⁵ See 49 CFR § 198.13(c)(7).

⁶ See Decision No. 75250 at 5-8; Decision No. 75289 at 7.

1 26. Under A.R.S. § 41-1057, the Commission is exempted from Article 5 of the APA
2 (A.R.S. §§ 41-1051 through 41-1057), pertaining to the Governor's Regulatory Review Council, but is
3 required to adopt substantially similar rule review procedures, to include preparation of an economic
4 impact statement and a statement of the effect of the rule on small business.

5 27. A.R.S. § 41-1044 requires the Attorney General to review rules that are exempt under
6 A.R.S. § 41-1057 and further requires that such rules not be submitted to the Office of the Secretary of
7 State unless first approved by the Attorney General. This requirement does not apply when the
8 Commission is conducting rulemaking pursuant to its exclusive and plenary ratemaking authority under
9 Art. 15, § 3,⁷ but applies for all other Commission rulemakings.

10 28. A.R.S. § 40-1030(A) provides that "[a] rule is invalid unless it is made and approved in
11 substantial compliance with sections 41-1021 through 41-1029 and articles 4, 4.1 and 5 of this chapter,
12 unless otherwise provided by law."

13 29. A.R.S. § 41-1025 prohibits an agency from adopting a final rule that is substantially
14 different from the rule proposed by the agency in its NPRM and provides that an agency must consider
15 all of the following in determining whether a rule is substantially different from the proposed rule
16 published in the NPRM:

- 17 1. The extent to which all persons affected by the rule should have
18 understood that the published proposed rule would affect their
19 interests.
- 20 2. The extent to which the subject matter of the rule or the issues
21 determined by that rule are different from the subject matter or
22 issues involved in the published proposed rule.
- 23 3. The extent to which the effects of the rule differ from the effects
24 of the published proposed rule if it had been made instead.⁸

25 30. Under A.R.S. § 41-1044, the Attorney General may not file a final rulemaking with the
26 Office of the Secretary of State unless the Attorney General finds that the rules therein (1) are in the
27 proper form; (2) are clear, concise, and understandable; (3) are within the power of the agency to make
28 and within enacted legislative standards; and (4) were made in compliance with the appropriate

⁷ See *State ex rel. Corbin v. Arizona Corp. Comm'n*, 174 Ariz. 216, 848 P.2d 301 (Ariz. Ct. App. 1992); *Phelps Dodge Corp. v. Arizona Elec. Power Coop.*, 207 Ariz. 95, 83 P.3d 573 (Ariz. Ct. App. 2004).

⁸ A.R.S. § 41-1025(B).

1 procedures. If the rulemaking specifies an immediate effective date, the Attorney General must also
2 find that the rules comply with A.R.S. § 41-1032.

3 31. Under A.R.S. § 41-1022(E), if an agency determines that a proposed rule requires
4 substantial change pursuant to A.R.S. § 41-1025, the agency shall issue a supplemental notice
5 containing the changes in the proposed rule and shall allow for additional public comment pursuant to
6 A.R.S. § 41-1023.

7 32. A.R.S. § 41-1032(A) provides that a final rule filed with the Office of the Secretary of
8 State under A.R.S. § 41-1031⁹ becomes effective 60 days after filing unless the agency's rulemaking
9 document includes in the Preamble information demonstrating that the rulemaking needs to be effective
10 immediately upon filing, for one of five reasons, among them: (1) to preserve the public peace, health,
11 or safety; or (2) to avoid a violation of federal law or regulation or state law, if the need for an immediate
12 effective date is not created due to the agency's delay or inaction.

13 33. A.R.S. § 41-1001(16) establishes requirements for the Preamble to a Notice proposing
14 or finalizing an agency rulemaking action.

15 34. A.A.C. R1-1-507 establishes the Secretary of State's requirements for a Notice of
16 Supplemental Proposed Rulemaking.

17 **Need for Additional Rulemaking**

18 35. The Attorney General has indicated that the amendments to the rules as included in the
19 NFRM could not be approved under A.R.S. § 41-1044 because the modification to the 49 CFR date
20 parenthetical made after the NPRM resulted in a substantial change under A.R.S. § 41-1025.

21 36. Although the rules as revised by the emergency rulemaking will remain effective for
22 180 days,¹⁰ and the Commission thus will have complied with the PHMSA requirement for the
23 Commission's Pipeline Safety rules to be consistent with the current federal pipeline safety standards
24 before January 1, 2016, the Commission can only maintain its compliance by amending the rules
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⁹ In pertinent part, A.R.S. § 41-1031 requires the Secretary of State to time and date stamp each final rulemaking package filed by the Attorney General and establishes that a rule is not final until the final rulemaking package is stamped with the time and date of its filing.

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¹⁰ This assumes that the Notice of Emergency Rulemaking package will be approved by the Attorney General.

1 through regular rulemaking, as the rule amendments made through the emergency rulemaking will
2 expire.¹¹

3 37. Thus, while the Commission continues to believe that the amendments to the rules as
4 included in the NFRM did not constitute a substantial change under A.R.S. § 41-1025, the Commission
5 should move forward with the regular rulemaking process to ensure that the rule revisions can receive
6 approval from the Attorney General and can become final rules, as this course of action is the most
7 expedient manner of adopting the rule revisions and represents the best use of the Commission's limited
8 resources.

9 38. The Commission should continue the regular rulemaking process, incomplete as a result
10 of the Attorney General's not approving the NFRM package under A.R.S. § 41-1044, by issuing a
11 Notice of Supplemental Proposed Rulemaking as permitted by A.R.S. § 41-1022(E).

12 **Description of the Rule Changes**

13 39. The rule changes to be included in the Notice of Supplemental Proposed Rulemaking
14 should be those included in the Notice of Emergency Rulemaking filed by Staff/Legal on October 22,
15 2015.¹² On October 1, 2015, the newest codification of the 49 CFR Parts was issued.¹³ Because this
16 new codification includes all of the updates reflected in the revised date parenthetical included for the
17 NFRM, and the new codification is simpler to reference, the Commission should include an October
18 1, 2015, parenthetical date citation in the Notice of Supplemental Proposed Rulemaking.¹⁴ Thus, for
19 purposes of the Notice of Supplemental Proposed Rulemaking, the date parenthetical at A.A.C. R14-
20 5-202(B) should appear as follows: "~~(October 1, 2012~~ October 1, 2015)". This is reflected in the
21 Notice of Supplemental Proposed Rulemaking attached hereto and incorporated herein as Exhibit 1.

22 _____
23 ¹¹ If, within 180 days after the effective date of the rules as revised by the Notice of Emergency Rulemaking, the
24 Commission has not issued either a Notice of Proposed Rulemaking or a Notice of Supplemental Proposed Rulemaking to
25 adopt rule revisions consistent with the Notice of Emergency Rulemaking, the rules as revised by the Notice of Emergency
26 Rulemaking will expire and will be ineligible for renewal. (A.R.S. § 41-1026(D).)

27 ¹² Although not addressed in Decision No. 75289, the Notice of Emergency Rulemaking included an "October 1, 2015"
28 parenthetical date for the 49 CFR Parts incorporated by reference. Because the Commission finds herein that this simpler
date parenthetical should be used, the Commission deems the inclusion of this date in the Notice of Emergency Rulemaking
to be ratified.

¹³ The U.S. Government Publishing Office codifies federal regulations by title number using a regular quarterly
codification schedule. The codification of revisions to Title 49 of the CFR is made on October 1 each year.

¹⁴ Because the Commission will be issuing a Notice of Supplemental Proposed Rulemaking to provide notice of changes
made from the rule language as included in the NPRM, there is no new "substantial change" issue raised by the use of the
October 1, 2015, date parenthetical.

1 40. It is just and reasonable and in the public interest for the Commission to go forward with
2 regular rulemaking to adopt the revisions to A.A.C. Title 14, Chapter 5, Article 2 set forth in the Notice
3 of Supplemental Proposed Rulemaking attached hereto as Exhibit 1.

4 **Probable Economic Impacts**

5 41. In Decision No. 75250, the Commission found that the information included in the
6 Economic, Small Business, and Consumer Impact Statement (“EIS”) attached as Exhibit C to that
7 Decision, with the modifications set forth in Findings of Fact No. 42 of that Decision, substantially
8 conformed to the requirements of A.R.S. § 41-1057 and § 41-1055 and should be adopted. The
9 Decision directed Staff/Legal to include in the NFRM package filed with the Office of the Attorney
10 General a revised EIS including that information.

11 42. The preliminary economic impact summary included in the Preamble to the Notice of
12 Supplemental Proposed Rulemaking attached as Exhibit 1 hereto includes information taken from the
13 EIS included with the NFRM package, which the Commission adopted as the EIS for this rulemaking
14 in Decision No. 75289.

15 **Need for Immediate Effective Date**

16 43. In Decision Nos. 75250 and 75289, the Commission determined that it is in the public
17 interest for the updated rules, as included in the NFRM and the emergency rulemaking, to become
18 effective immediately to preserve public health and safety by updating the safety standards for intrastate
19 pipeline systems to make them consistent with the current federal safety standards and by clarifying
20 some rule provisions. The Commission also determined that it was necessary for the updated rules to
21 have an immediate effective date so that the Commission would not violate the federal requirements
22 governing the Commission’s Pipeline Safety program certification and grant funding eligibility,
23 thereby putting both at risk.¹⁵

24 44. Adoption of the rule updates through the emergency rulemaking has not changed the
25 need for the rule updates to be adopted through regular rulemaking and to have an immediate effective
26 date, as the emergency rulemaking is only a temporary solution. For the Commission to preserve public
27

28 ¹⁵ The Preambles for both the NFRM and the Notice of Emergency Rulemaking provided justification for an immediate effective date under both A.R.S. § 41-1032(A)(1) and A.R.S. § 41-1032(A)(2).

1 health and safety and to maintain the Commission's compliance with federal requirements, the regular
 2 rulemaking must be completed and must become effective as quickly as possible. Thus, it is reasonable
 3 and appropriate for the Preamble for the Notice of Supplemental Proposed Rulemaking, attached hereto
 4 as Exhibit 1, to include language demonstrating the need for an immediate effective date for the
 5 rulemaking under A.R.S. § 41-1032(A)(1) and (2).

6 **Conclusion**

7 45. Staff/Legal should be required to prepare and file with the Office of the Secretary of
 8 State, by November 27, 2015, a Notice of Supplemental Proposed Rulemaking package containing the
 9 Notice of Supplemental Proposed Rulemaking attached hereto as Exhibit 1 and conforming to the
 10 requirements of A.A.C. R1-1-507.

11 46. The Hearing Division should hold an Oral Proceeding to obtain oral public comment on
 12 the Notice of Supplemental Proposed Rulemaking on January 19, 2016, at 10:00 a.m., in Hearing Room
 13 No. 1 at the Commission's offices in Phoenix. The Preamble for the Notice of Supplemental Proposed
 14 Rulemaking should provide notice of this oral proceeding and should direct interested persons to file
 15 written comments with the Commission's Docket Control by January 19, 2016.

16 **CONCLUSIONS OF LAW**

17 1. Pursuant to Arizona Constitution Art. 15, § 3 and A.R.S. §§ 40-202, 40-203, 40-321,
 18 40-322, 40-336, and 40-441, the Commission has authority and jurisdiction to revise A.A.C. Title 14,
 19 Chapter 5, Article 2 as described herein and set forth in Exhibit 1.

20 2. The changes to A.A.C. Title 14, Chapter 5, Article 2 described herein and set forth in
 21 Exhibit 1 cannot become effective without approval from the Attorney General under A.R.S. § 41-
 22 1044.

23 3. The Commission must, through regular rulemaking, update its Pipeline Safety rules to
 24 make them consistent with the current standards established by PHMSA.

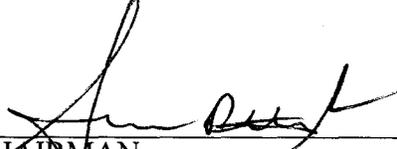
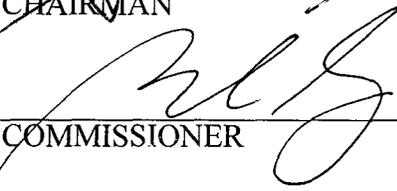
25 4. Under A.R.S. § 41-1022(E), the Commission may issue a Notice of Supplemental
 26 Proposed Rulemaking to continue the regular rulemaking process commenced through Decision No.
 27 75250.

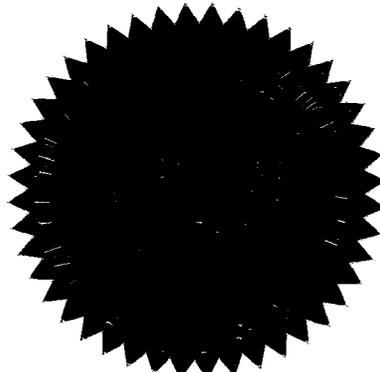
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1 IT IS FURTHER ORDERED that the Commission's Safety Division/Legal Division is
2 authorized to make non-substantive changes in the text of A.A.C. Title 14, Chapter 5, Article 2 as set
3 forth in Exhibit 1, to the rest of Exhibit 1, and to any additional documents required by the Office of
4 the Secretary of State, in response to comments received from the Office of the Secretary of State
5 during the submission and publication process, unless the Commission requires otherwise after
6 notification of those changes.

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

8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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11  CHAIRMAN  COMMISSIONER
12
13  COMMISSIONER  COMMISSIONER  COMMISSIONER



15 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
16 of the Arizona Corporation Commission, have hereunto set my
17 hand and caused the official seal of the Commission to be affixed
18 at the Capitol, in the City of Phoenix, this 25th day
19 of November 2015.

20 
21 JODI JERICH
22 EXECUTIVE DIRECTOR

23 DISSENT _____

24 DISSENT _____
25 SNH:tv

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1 SERVICE LIST FOR:

PROPOSED AMENDMENTS TO PIPELINE SAFETY
RULES

2 DOCKET NO.:

RG-00000A-15-0098

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EXHIBIT 1

NOTICE OF SUPPLEMENTAL PROPOSED RULEMAKING

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

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION

PREAMBLE

- 1. Citations to the agency's Notice of Rulemaking Docket Opening, the Notice of Proposed Rulemaking, and any other Notices of Supplemental Proposed Rulemaking (if applicable) as published in the *Register* as specified in R1-1-409(A). A list of any other related notices published in the *Register* to include the as specified in R1-1-409(A):**

Notice of Rulemaking Docket Opening: 21 A.A.R. 685, May 15, 2015

Notice of Proposed Rulemaking: 21 A.A.R. 674, May 15, 2015

Notice of Emergency Rulemaking: 21 A.A.R. [XXX], [date to be determined]

- 2. Articles, Parts, or Sections Affected (as applicable) Rulemaking Action**

R14-5-202	Amend
R14-5-203	Amend
R14-5-204	Amend
R14-5-205	Amend
R14-5-207	Amend

- 3. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statutes/laws: A.R.S. § 40-441, Arizona Constitution, Article 15, § 3

Implementing statutes: A.R.S. §§ 40-441, 40-202(A), 40-203, 40-321(A), 40-322, 40-336

- 4. The agency's contact person who can answer questions about the rulemaking:**

Name: Charles Hains, Commission Counsel, Legal Division

Address: Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Telephone: (602) 542-3402

Fax: (602) 542-4870

E-mail: CHains@azcc.gov

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5. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

The Commission's Pipeline Safety rules establish construction and safety standards for gas, liquefied natural gas ("LNG"), and hazardous liquid pipeline systems and for master meter systems. The rules are designed to protect all residents of and visitors to the State of Arizona by helping to ensure that the handling and transportation of gas, LNG, and hazardous liquids are conducted in the safest manner possible. The primary purpose of this rulemaking is to make the Commission's Pipeline Safety rules consistent with current federal pipeline safety regulations so that the Commission maintains compliance with the requirements of its intergovernmental agreement with the U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration ("PHMSA"). The rulemaking accomplishes this by updating the incorporations by reference for 49 CFR Parts 40, 191, 192, 193, 195, and 199, as well as several PHMSA reporting forms, and by clarifying some requirements of the rules.

Under Title 49, § 60105 of the U.S. Code ("49 U.S.C. § 60105"), the Commission holds certification from PHMSA authorizing the Commission to prescribe and enforce safety standards and practices for intrastate pipeline facilities and intrastate pipeline transportation. (See 49 U.S.C. § 60105(a).) The Commission is also authorized to act as an interstate agent under 49 CFR Chapter 601. To maintain its certification, the Commission must annually submit to PHMSA a certification stating, *inter alia*, that the Commission (1) has regulatory jurisdiction over the standards and practices to which the certification applies; (2) has adopted, by the date of certification, each applicable standard prescribed under 49 U.S.C. Chapter 601 or, if the standard was prescribed no later than 120 days before certification, is taking steps to adopt the standard; and (3) is enforcing each adopted standard through means including inspections by qualified Commission employees. (49 U.S.C. § 60105(b).) The certification filing must also identify the persons subject to the Commission's safety jurisdiction, describe specific types of reported accidents or incidents during the past 12 months, provide an investigation summary for each accident or incident, and describe the Commission's regulatory and enforcement practices. (49 U.S.C. § 60105(c).) PHMSA may reject certification for a state authority if it determines that the state authority is not satisfactorily enforcing compliance with the applicable federal safety standards of 49 U.S.C. Chapter 601. (49 U.S.C. § 60105(f).) A state authority that carries out a safety program pursuant to certification under 49 U.S.C. § 60105 is eligible to obtain grant funding from PHMSA of up to 80 percent of the state authority's costs for the personnel, equipment, and activities reasonably required to carry out the program for the next calendar year. (49 U.S.C. § 60107(a).) One of the performance factors considered by PHMSA when determining the allocation of grant funds to a state authority is whether the state has adopted the applicable federal pipeline safety standards. (49 CFR § 198.13(c)(7).) PHMSA can withhold payment if it determines that a state authority is not satisfactorily carrying out its safety program. (49 U.S.C. § 60107(b).) PHMSA requires the Commission to update its Pipeline Safety rules to the current federal standards by December 31, 2015.

The Commission commenced this rulemaking through a Notice of Rulemaking Docket Opening and Notice of Proposed Rulemaking published in the *Arizona Administrative Register* on May 15, 2015. The

Commission held an oral proceeding on June 18, 2015, and did not receive any oral or written public comments on the rulemaking. On August 26, 2015, the Commission approved a Notice of Final Rulemaking (“NFRM”) package for filing with the Attorney General (“AG”) for certification under A.R.S. § 41-1044. The NFRM included language demonstrating the need for an immediate effective date for the rulemaking as provided under A.R.S. § 41-1032. The Commission filed the NFRM package with the AG on September 15, 2015. Subsequent to the filing of the NFRM package, the AG notified the Commission that the AG considered modifications made to a date parenthetical included in the NFRM to constitute a substantial change under A.R.S. § 41-1025 and thus would not approve the NFRM. The Commission withdrew the NFRM package and is issuing this Notice of Supplemental Proposed Rulemaking to continue the regular rulemaking process to promulgate the updated rules.

Because the Commission’s failure to meet the requirements of the certification program could result in loss of funding for the Commission’s Pipeline Safety program, and the PHMSA deadline for the Commission to update its Pipeline Safety rules to the current federal standards is December 31, 2015, the Commission also filed a Notice of Emergency Rulemaking (“NERM”) with the AG on October 22, 2015, under A.R.S. § 41-1026, to adopt the rule revisions herein.

At the time the NFRM was approved by the Commission, the most recent codification of 49 CFR Parts 40, 191, 192, 193, 195, and 199 had been issued on October 1, 2014. However, 49 CFR Parts 192, 193, 195, and 199 had recently been amended through a PHMSA rulemaking. Thus, in the NFRM, the Commission included the following parenthetical date citation for the 49 CFR Parts: “(October 1, 2012 October 1, 2014, as amended by the Final Rule published at 80 Fed. Reg. 168 (January 5, 2015) and effective March 6, 2015).” The Notice of Proposed Rulemaking had included a parenthetical date citation of February 5, 2015, which was intended to represent the current version of the 49 CFR Parts as of March 31, 2015, when the language for the proposed rulemaking was initially provided to the Commissioners for consideration at an Open Meeting. The Commission found that the revision to the date parenthetical included in the NFRM would not result in a substantial change to the proposed rules, under A.R.S. § 41-1025, because the revision did not change the persons affected by the rules, the subject matter of the rules, the issues determined by the rules, or the effects of the rules. The AG disagreed, however, concluding that the revision resulted in a substantial change.

The rule text in the NFRM also differed from that in the propose rulemaking because it updated the parenthetical date for Form PHMSA F 7100.1-1, located in R14-5-204(A)(2), by replacing “(January 2011)” with “(January 2011 May 2015).” The Commission also found that this revision would not result in a substantial change because the revision did not change the persons affected by the rules, the subject matter of the rules, the issues determined by the rules, or the effects of the rules. The January 2011 form and the May 2015 form differ in that the May 2015 form requires the preparer to check two additional boxes to identify commodity group and operator type and requires the preparer to break down total excavation damage events by root cause rather than just reporting the total. Both versions have burden estimates of approximately 16 hours.

The rule language included in this Notice of Supplemental Proposed Rulemaking differs from that included in the NFRM only in the parenthetical date citation for the 49 CFR Parts incorporated by reference in R14-5-202(B). A new codification of the 49 CFR Parts was issued on October 1, 2015, in accordance with the U.S. Government Publishing Office's regular codification schedule. Because this new codification includes all of the updates reflected in the revised date parenthetical included for the NFRM, and the new codification can be referenced more simply, the Commission is including the October 1, 2015, date in this Notice of Supplemental Proposed Rulemaking.

Through the NERM, the Commission will comply with the PHMSA requirement for the Commission's Pipeline Safety rules to be consistent with the current federal pipeline safety standards before January 1, 2016. Yet A.R.S. § 41-1026(D) provides that if an agency has not issued either a Notice of Proposed Rulemaking or a Notice of Supplemental Proposed Rulemaking to adopt rule revisions consistent with its NERM within 180 days after the effective date of the rules as revised by the NERM, the rules as revised by the NERM will expire and will be ineligible for renewal. Thus, the Commission can only maintain its compliance by engaging in regular rulemaking.

For the Commission to preserve public health and safety and to maintain the Commission's compliance with federal requirements, the regular rulemaking must be completed and must become effective as quickly as possible. If the Commission fails to adopt the rule updates permanently through regular rulemaking, the Commission could lose federal grant funding for the Commission's Pipeline Safety program. This would constitute an imminent budget reduction and would result in serious prejudice to the public interest, which is best served by a robust Pipeline Safety program that has sufficient resources to enforce the current federal safety standards. Because the rules at issue establish safety standards consistent with the current federal safety standards, it is in the public interest to have the rules in effect and capable of enforcement as soon as possible. The Commission intends for this rulemaking to be adopted with an immediate effective date, under A.R.S. § 41-1032(A)(1) and (2), to preserve the public peace, health, and safety, and to avoid a violation of federal law or regulation.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. An explanation of the substantial change which resulted in the supplemental notice:

As described in item 5, the Commission does not believe that the changes made to the text of the proposed rules after the Notice of Proposed Rulemaking resulted in a substantial change under A.R.S. § 41-1025(B) and is issuing this Notice of Supplemental Proposed Rulemaking to move forward with its regular rulemaking in response to the AG's not approving the NFRM. The differences between the rules as published in the Notice of Proposed Rulemaking and the rules as set forth herein are as follows:

- a. R14-5-202(B) is revised by replacing "~~(October 1, 2012~~ February 5, 2015)" with "~~(October 1,~~ 2012 October 1, 2015)",

- b. R14-5-204(A)(2) is revised by replacing “(January 2011)” with “(~~January 2011~~ May 2015)” to update the incorporation by reference for Form PHMSA F 7100.1-1, and
- c. The text of subsections that are not being changed is no longer set forth in full.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision:

Not applicable

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

The Commission’s Pipeline Safety rules establish construction and safety standards for gas, LNG, and hazardous liquid pipeline systems and for master meter systems. The rules apply to intrastate operators of natural gas and other gas pipelines, intrastate operators of hazardous liquid pipelines, and operators of master meter gas distribution systems. The Commission’s Pipeline Safety rules adopt the standards established by PHMSA through incorporation by reference of most of 49 CFR Parts 40, 191, 192, 193, 195, and 199 as well as PHMSA forms. This rulemaking updates those incorporations by reference, to make the Commission’s rules consistent with the new codification of 49 CFR and the newest PHMSA forms; makes minor technical corrections; and clarifies the Commission’s rules.

Other than operators of LNG facilities, intrastate operators who are already complying with the federal pipeline safety regulations will not be financially impacted by the rulemaking. Operators of LNG facilities may experience increased testing costs when welding is performed, although the additional costs are expected to be minimal because welding is a non-recurring activity. The increased costs will be incurred only if an LNG facility operator is not already ensuring that nondestructive testing is completed for each weld performed on newly installed, replaced, or repaired pipeline or appurtenances.

The small businesses subject to the rules are master meter system operators, whose responsibilities will not be changed through this rulemaking.

The Commission will incur minimal costs as a result of the rulemaking, but will benefit substantially because the rulemaking will allow the Commission to maintain compliance with the PHMSA requirement for the Commission’s Pipeline Safety rules to be consistent with current federal pipeline safety standards. This will allow the Commission to maintain its certification as an agent and its eligibility for federal grant funding to cover operating costs for the Pipeline Safety program.

The rulemaking should have no economic impact on consumers or users of gas service. However, the rulemaking will benefit all residents of and visitors to the State of Arizona by helping to ensure that the handling and transportation of gas, LNG, and hazardous liquids are conducted in the safest manner possible.

This rulemaking is the least costly method for achieving Commission compliance with the PHMSA requirements and protecting the public health and safety.

10. The agency’s contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Robert Miller, Office of Pipeline Safety
Address: Arizona Corporation Commission
2200 N. Central Ave., Ste. 300
Phoenix, AZ 85004
Telephone: (602) 262-5601
Fax: (602) 262-5620
E-mail: RMiller@azcc.gov
Web site: www.azcc.gov

11. The time, place, and nature of the proceedings to make, amend, renumber or repeal the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the supplemental proposed rule:

Date: January 19, 2016
Time: 10:00 a.m.
Location: Arizona Corporation Commission
Hearing Room No. 1
1200 W. Washington St.
Phoenix, AZ 85007
Nature: Oral Proceeding

The Commission requests that written comments be submitted on or before January 19, 2016, to the Commission's Docket Control at 1200 W. Washington St., Phoenix, AZ 85007. Please reference Docket No. RG-00000A-15-0098 on all comments submitted to Docket Control.

Oral comments may be made at the oral proceeding on January 19, 2016.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

Not applicable

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Not applicable

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

Not applicable

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

- R14-5-202(B): 49 CFR 40; 191; 192, except (I)(A)(2) and (3) of Appendix D to Part 192; 193; 195, except 195.1(b)(2), (3), and (4); and 199 (October 1, 2015)
- R14-5-202(Q)(1): ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983
- R14-5-202(Q)(2): ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11A-1983
- R14-5-203(C)(2)(a): Form PHMSA F 7100.1: Incident Report – Gas Distribution System (October 2014)
- R14-5-203(C)(2)(b): Form PHMSA F 7100.2: Incident Report – Natural and Other Gas Transmission and Gathering Pipeline Systems (October 2014)
- R14-5-203(C)(2)(c): Form PHMSA F 7100.3: Incident Report – Liquefied Natural Gas (LNG) Facilities (October 2014)
- R14-5-203(C)(3): Form PHMSA F 7000-1: Accident Report – Hazardous Liquid Pipeline Systems (July 2014)
- R14-5-204(A)(1): Form PHMSA F 7000-1:1 Annual Report for Calendar Year 20__ Hazardous Liquid Pipeline Systems (June 2014)
- R14-5-204(A)(2): Form PHMSA F 7100.1-1: Annual Report for Calendar Year 20__ Gas Distribution System (May 2015)
- R14-5-204(A)(3): Form PHMSA F 7100.2-1: Annual Report for Calendar Year 20__ Natural and Other Gas Transmission and Gathering Pipeline Systems (October 2014)
- R14-2-204(A)(4): Form PHMSA F 7100.3-1: Annual Report for Calendar Year 20__ Liquefied Natural Gas (LNG) Facilities (October 2014)

14. The full text of the rules follows:

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION
CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION
ARTICLE 2. PIPELINE SAFETY**

Section

- R14-5-202. Construction and Safety Standards for Gas, LNG, and Hazardous Liquid Pipeline Systems
- R14-5-203. Pipeline Incident Reports
- R14-5-204. Annual Reports
- R14-5-205. Commission Investigations
- R14-5-207. Master Meter System Operators

ARTICLE 2. PIPELINE SAFETY**R14-5-202. Construction and Safety Standards for Gas, LNG, and Hazardous Liquid Pipeline Systems**

- A.** No change
- B.** Subject to the definitional changes in R14-5-201 and the modifications noted in this Section, the Commission adopts, incorporates, and approves as its own 49 CFR 40; 191; 192, except (I)(A)(2) and (3) of Appendix D to Part 192; 193; 195, except 195.1(b)(2), (3), and (4); and 199(~~October 1, 2012~~ October 1, 2015), including no future editions or amendments, which are incorporated by reference; on file with the Office of Pipeline Safety; and published by and available from the U.S. Government Printing Office, 710 North Capital Street N.W., Washington DC 20401, and at <http://www.gpo.gov/fdsys/>. For purposes of 49 CFR 192, "Business District" means an area where the public congregate for economic, industrial, religious, educational, health, or recreational purposes and two or more buildings used for these purposes are located within 100 yards of each other.
- C.** No change
1. No change
 2. No change
- D.** No change
- E.** No change
1. No change
 2. No change
- F.** No change
- G.** No change
- H.** No change
- I.** No change
- J.** An operator of an intrastate pipeline transporting LNG, gas, or a hazardous liquid shall use a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, ~~October 1, 2010 (and no future amendments)~~, as incorporated by reference in subsection (B), and copies available from the Office of Pipeline Safety and the United States Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954, except, Sections (I)(A)(2) and (3) of Appendix D to Part 192 shall not be utilized. This modifies 49 CFR 192.463(a), 193.2629, and 195.571.
- K.** No change
- L.** No change
- M.** No change
- N.** An operator of an intrastate pipeline transporting gas or hazardous liquid that constructs an underground pipeline system using plastic pipe shall bury the installed pipe with at least 6 inches of sandy type soil, free of any rock or debris, surrounding the pipe for bedding and shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety. Steel pipe shall be installed with at least 6 inches of sandy type soil, free of any debris or materials injurious to the pipe coating, surrounding the pipe for bedding and

shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety. This modifies 49 CFR 192.321, 192.361, and 195.246.

O. No change

P. No change

Q. No change

1. In the case of all gas except LPG, leakage surveys and grading shall be performed pursuant to the standards set by ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983, including no future editions or amendments, which is incorporated by reference; on file with the Office of Pipeline Safety; published by and available from ASME, ~~Three~~ Two Park Avenue, New York, NY 10016-5990; and modified by omitting 4.4(c) and by replacing "should" with "shall" each time it appears.

2. In the case of LPG, leakage surveys and grading shall be performed pursuant to the standards set by ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11A-1983, including no future editions or amendments, which is incorporated by reference; on file with the Office of Pipeline Safety; published by and available from ASME, ~~Three~~ Two Park Avenue, New York, NY 10016-5990; and modified by replacing "should" with "shall" each time it appears.

3. No change

R. No change

S. No change

T. An operator of an LNG facility shall ensure that nondestructive testing is completed for each weld performed on newly installed, replaced, or repaired pipeline or an appurtenance. This modifies 49 CFR 193.2303.

~~**T.**~~ **U.** No change

1. No change

2. No change

a. No change

b. No change

c. No change

d. No change

e. No change

f. No change

3. Within 48 hours after receiving telephonic notification pursuant to subsection (~~T~~ U)(2), the Office of Pipeline Safety shall:

a. No change

b. No change

i. That the operator must have the removed portion of pipeline tested, in

accordance with Office of Pipeline Safety directions, by an independent laboratory selected by the Office of Pipeline Safety as provided in subsection (~~F~~ U)(5), to determine the cause or causes of the failure; or

- ii. No change
- 4. After providing telephonic notice as provided in subsection (~~F~~ U)(3)(b), the Office of Pipeline Safety shall confirm its notification in writing;
- 5. No change
 - a. No change
 - i. Determine, as provided in subsection (~~F~~ U)(6), the independent laboratory that will do the testing and the period of time within which the testing is to be completed;
 - ii. No change
 - iii. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
- 6. In determining an independent laboratory to perform testing required under subsection (~~F~~ U), the Office of Pipeline Safety shall:
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - c. No change
 - i. No change
 - ii. No change
 - d. No change

~~U.~~ V. No change

~~V.~~ W. No change

~~W.~~ X. No change

R14-5-203. Pipeline Incident Reports

A. No change

B. No change

1. No change

a. No change

- i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
 - h. No change
- 2. No change
 - a. No change
 - i. No change
 - ii. No change
 - iii. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - g. No change
- 3. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
- C. No change
 - 1. No change

- a. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
2. No change
- a. Form PHMSA F 7100.1: Incident Report – Gas Distribution System (~~June 2011~~October 2014), including no future editions or amendments;
 - b. Form PHMSA F 7100.2: Incident Report – Natural and Other Gas Transmission and Gathering Pipeline Systems (~~December 2012~~October 2014), including no future editions or amendments; or
 - c. Form PHMSA F 7100.3: Incident Report – Liquefied Natural Gas (LNG) Facilities (~~June 2011~~October 2014), including no future editions or amendments.
3. An operator of an intrastate pipeline transporting hazardous liquid shall file a written incident report completed using Form PHMSA F 7000-1: Accident Report – Hazardous Liquid Pipeline Systems (~~December 2012~~July 2014), including no future editions or amendments, which is incorporated by reference, on file with the Office of Pipeline Safety, and published by and available from PHMSA as set forth in subsection (C)(2), any time the operator would have been required to make a notification as required under R14-5-203(B)(2).
4. No change
- a. For an LNG; or gas - incident, within 20 days after detection; and
 - b. No change
5. No change
6. After an incident involving shutdown or partial shutdown of a master meter system, an operator of a gas pipeline system shall request and obtain a clearance from the Office of Pipeline Safety before turning on or reinstating service to a the master meter system or portion of the master meter system that was shut down.

R14-5-204. Annual Reports

- A. No change
 - 1. Form PHMSA F 7000-1.1: Annual Report for Calendar Year 20__ Hazardous Liquid Pipeline Systems (~~June 2011~~2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form;

2. Form PHMSA F 7100.1-1: Annual Report for Calendar Year 20__ Gas Distribution System (~~January 2011~~ May 2015), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form;
3. Form PHMSA F 7100.2-1: Annual Report for Calendar Year 20__ Natural and Other Gas Transmission and Gathering Pipeline Systems (~~December 2012~~ October 2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form; or
4. Form PHMSA F 7100.3-1: Annual Report for Calendar Year 20__ Liquefied Natural Gas (LNG) Facilities (~~June 2011~~ October 2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form.

B. No change

R14-5-205. Commission Investigations

A. No change

B. While investigating an incident, accident, or event, the Commission, or an authorized agent of the Commission may:

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change

R14-5-207. Master Meter System Operators

A. No change

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 ~~meters~~ meter system constitutes grounds for termination of service by the provider when informed in writing by the Office of Pipeline Safety. In case of an emergency, the Office of Pipeline Safety may give the provider oral instructions to terminate service, with written confirmation to be furnished within 24 hours.

C. No change

D. No change

1. No change
2. No change

E. No change

1. No change
2. No change
 - a. No change
 - b. No change

- c. No change
- F. No change
- G. No change
- H. No change
- I. No change
- J. No change
- K. No change
- L. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- M. No change
- N. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- O. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- P. In the event of an unknown failure of a gas pipeline resulting in a master meter system operator's being required to provide a report under subsection (Q) and in the operator's removing a portion of the failed pipeline, the following shall occur:
 - 1. No change
 - 2. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - 3. No change
 - a. No change
 - b. No change

- i. No change
 - ii. No change
 - 4. No change
 - 5. No change
 - a. No change
 - i. No change
 - ii. No change
 - iii. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - 6. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - c. No change
 - i. No change
 - ii. No change
 - d. No change
- Q. No change
 - 1. No change
 - a. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - vi. No change
 - vii. No change
 - viii. No change
 - b. No change
 - c. An event involving permanent or temporary discontinuance of service to a master meter system or any portion of a master meter system due to a failure of a leak test or for any

purpose other than to perform routine maintenance; or

- d. No change
- 2. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change;
 - f. No change
 - g. No change
- 3. No change
- R.** No change
- S.** To ensure compliance with all applicable provisions of this Article, 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, electronic files, business methods, and affairs that pertain to the operation of the master meter system.