

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking accompanies this form.

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Public Utility Commission of Oregon
Agency and Division

860
Administrative Rules Chapter Number

In the Matter of Rulemaking to Adopt Federal Pipeline Safety Regulation Amendments.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Rulemaking to Adopt Federal Pipeline Safety Regulation Amendments.

Statutory Authority:

ORS Ch. 183, 756.040, 757.039

Other Authority:

Statutes Implemented:

ORS 757.039

Need for the Rule(s):

Under ORS 757.039, the Commission is empowered to adopt safety rules pertaining to the transmission, distribution, storage, or treatment of fuel gas transported by pipeline. The statute also authorized the Commission to enter into agreements with the US Department of Transportation (USDOT) to enforce federal pipeline safety regulations pertaining to pipeline facilities in Oregon. The Commission has entered into agreements with USDOT for enforcement over intrastate gas pipeline facilities. As part of its annual agreement, the Commission certifies to USDOT that it has or is in the process of adopting all current federal pipeline safety regulations applicable to intrastate gas pipelines and liquefied natural gas facilities. Adoption of the federal amendments complies with the certification requirements.

Documents Relied Upon, and where they are available:

Code of Federal Regulations, CFR Title 49, Part 192 (amendments through 119), Part 193 (amendments through 25), and Part 199 (amendments through 26). This information is available online through the Electronic Code of Federal Regulation: http://www.ecfr.gov/cgi-bin/text-idx?SID=9137966b17e24d7281c882b99a1bc95d&mc=true&tpl=/ecfrbrowse/Title49/49cfrv3_02.tpl#0.

Information may also be found on the Pipeline and Hazardous Materials Safety Administration website: <http://www.phmsa.dot.gov/regulations>.

ORS Chapter 757 is available online at https://www.oregonlegislature.gov/bills_laws/ors/ors757.html.

Fiscal and Economic Impact:

The amendments to the federal regulations are minor and do not require pipeline or liquefied natural gas facility operators or inspectors to undertake any significant new safety initiatives. Any fiscal or economic impact realized results from compliance with the federal regulations; and the Commission's adoption of the amendments by reference will not further impact the operators subject to these rules.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

As stated above, because the amendments are minor, there is no appreciable impact to the costs of compliance for the Commission. Units of local government and the public are not impacted.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

Of the operators subject to these rules, there are two master meter operators and one liquefied petroleum gas operator that are small businesses. Any costs for compliance with the amendments adopted by reference are the result of the compliance with the federal code, and the Commission's adoption does not further impact costs. Gas pipeline operators identified as not in compliance with federal regulations may bear the costs resulting from enforcement activities, and the potential magnitude of those costs cannot be quantified at this time because they would depend on the nature and severity of the noncompliance.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

The amendments to the federal regulations are minor and do not require pipeline or liquefied natural gas facility operators or inspectors to undertake any significant new reporting, recordkeeping, or other administrative activities for compliance.

c. Equipment, supplies, labor and increased administration required for compliance:

The amendments to the federal regulations are minor and do not require any significant investment in equipment, supplies, labor or increased administration.

How were small businesses involved in the development of this rule?

Small businesses were not involved at the state level. This rulemaking adopts the federal amendments as required by ORS 757.039. These amendments were subject to the federal rulemaking processes where interested parties had sufficient opportunity to comment and to take appropriate compliance actions.

Administrative Rule Advisory Committee consulted?:No

If not, why?:

These amendments were subject to the federal rulemaking processes where interested parties had sufficient opportunity to comment and to take appropriate compliance actions.

<u>04-22-2016 5:00 p.m.</u>	<u>Diane Davis</u>	<u>diane.davis@state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

Secretary of State
NOTICE OF PROPOSED RULEMAKING*
A Statement of Need and Fiscal Impact accompanies this form

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SECRETARY OF STATE

Public Utility Commission of Oregon

Agency and Division

860

Administrative Rules Chapter Number

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Address

RULE CAPTION

In the Matter of Rulemaking to Adopt Federal Pipeline Safety Regulation Amendments.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing

ADOPT:

AMEND:

860-024-0020 and 860-024-0021

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS Ch. 183, 756.040, 757.039

Other Authority:

Statutes Implemented:

ORS 757.039

RULE SUMMARY

The proposed rules adopt published US Department of Transportation (USDOT) amendments associated with the construction, operation and maintenance of intrastate gas pipelines and liquefied natural gas facilities. The amendments being adopted are from the Code of Federal Regulations, CFR Title 49, Part 192 (amendments through 119), Part 193 (amendments through 25), and Part 199 (amendments through 26).

Per ORS 757.039(3), the Commission has agreements with the USDOT to enforce federal pipeline safety regulations pertaining to pipeline facilities in Oregon. As a condition of those agreements, the Commission must annually certify to the USDOT that the Commission adopted or is in the process of adopting all current federal pipeline safety regulations applicable to intrastate gas pipelines and liquefied natural gas facilities. These rule amendments update the Oregon pipeline safety rules to be current with the federal gas pipeline safety regulations and to comply with USDOT certification requirements.

The Commission encourages participants to file written comments as early as practicable in the proceeding so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 596 on comments and file them as a Word or PDF document attached to an email addressed to PUC.FilingCenter@state.or.us. Interested persons may review all filings online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=20018>.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

04-22-2016 5:00 p.m.	Diane Davis	diane.davis@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Gas

860-024-0020

Gas Pipeline Safety

Every gas operator must construct, operate, and maintain natural gas and other gas facilities in compliance with the standards prescribed by:

(1) 49 CFR, Part 191, and amendments through No. 22 — Transportation of Natural and Other Gas by Pipeline; Annual Reports and Incident Reports in effect on April 4, 2011.

(2) 49 CFR, Part 192, and amendments through No. ~~117119~~ — Transportation of Natural and Other Gas by Pipeline; Minimum Safety Standards in effect on ~~August 15, 2011~~ March 6, 2015.

(3) 49 CFR, Part 199, and amendments through No. ~~2526~~ — Control of Drug and Alcohol Use in Natural Gas, Liquefied Natural Gas, and Hazardous Liquid Pipeline Operations in effect on ~~February 17, 2009~~ March 6, 2015.

(4) 49 CFR, Part 40, and amendments through No. 29 – Procedure for Transportation Workplace Drug and Alcohol Testing Programs in effect on October 3, 2012.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 183, 756 & 757

Stats. Implemented: ORS 757.039

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 172, f. & ef. 1-14-76 (Order No. 76-036); PUC 180, f. 4-8-77, ef. 5-1-77 (Order No. 77-232); PUC 2-1978, f. & ef. 3-16-78 (Order No. 78-158); PUC 6-1980, f. & ef. 10-22-80 (Order No. 80-777); PUC 3-1981, f. & ef. 6-4-81 (Order No. 81-361); PUC 12-1984, f. & ef. 6-5-84 (Order No. 84-424); PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 4-1986, f. & ef. 5-5-86 (Order No. 86-456); PUC 11-1987, f. & ef. 10-8-87 (Order No. 87-861); PUC 16-1989, f. & cert. ef. 11-22-89 (Order No. 89-1529); PUC 8-1992, f. & ef. 5-13-92 (Order Nos. 92-618 & 92-677); PUC 14-1994, f. & ef. 10-20-94 (Order No. 94-1533); PUC 9-1998, f. & ef. 4-28-98 (Order No. 98-169); PUC 19-1998, f. & ef. 11-18-98 (Order No. 98-468); PUC 22-2003, f. & ef. 11-28-03 (Order No. 03-666); PUC 3-2005, f & ef. 06-03-05 (Order No. 05-722); PUC 9-2007, f. & ef. 9-10-07 (Order No. 07-386); PUC 5-2009, f. & cert. ef. 5-5-09 (Order No. 09-156); PUC 2-2011, f. & ef. 05-04-11 (Order No. 11-145); PUC 4-2013, f. & cert. ef. 5-30-13 (Order No. 13-188)

860-024-0021

Liquefied Natural Gas Safety

Every gas operator must construct, operate, and maintain liquefied natural gas facilities in compliance with the standards prescribed by:

(1) 49 CFR, Part 191, and amendments through No. 22 — Transportation of Natural and Other Gas by Pipeline; Annual Reports and Incident Reports in effect on April 4, 2011.

(2) 49 CFR, Part 193, and amendments through No. ~~2325~~ — Liquefied Natural Gas Facilities; Minimum Safety Standards in effect on ~~November 26, 2010~~ March 6, 2015.

(3) 49 CFR, Part 199, and amendments through No. **2526** — Control of Drug and Alcohol Use in Natural Gas, Liquefied Natural Gas, and Hazardous Liquid Pipeline Operations in effect on ~~February 17, 2009~~**March 6, 2015**.

(4) 49 CFR, Part 40, and amendments through No. 29 – Procedure for Transportation Workplace Drug and Alcohol Testing Programs in effect on October 3, 2012.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 183, 756 & 757

Stats. Implemented: ORS 757.039

Hist.: PUC 3-1981, f. & ef. 6-4-81 (Order No. 81-361); PUC 12-1984, f. & ef. 6-5-84 (Order No. 84-424); PUC 4-1986, f. & ef. 5-5-86 (Order No. 86-456); PUC 11-1987, f. & ef. 10-8-87 (Order No. 87-861); PUC 16-1989, f. & cert. ef. 11-22-89 (Order No. 89-1529); PUC 8-1992, f. & ef. 5-13-92 (Order Nos. 92-618 & 92-677); PUC 14-1994, f. & ef. 10-20-94 (Order No. 94-1533); PUC 9-1998, f. & ef. 4-28-98 (Order No. 98-169); PUC 19-1998, f. & ef. 11-18-98 (Order No. 98-468); PUC 22-2003, f. & ef. 11-28-03 (Order No. 03-666); PUC 3-2005, f & ef. 06-03-05 (Order No. 05-722); PUC 9-2007, f. & ef. 9-10-07 (Order No. 07-386); PUC 5-2009, f. & cert. ef. 5-5-09 (Order No. 09-156); PUC 2-2011, f. & cert. ef. 05-04-11 (Order No. 11-145); PUC 4-2013, f. & cert. ef. 5-30-13 (Order No. 13-188)