

DEPARTMENT OF ~~ENERGY, LABOR, AND ECONOMIC GROWTH~~ LICENSING AND  
REGULATORY AFFAIRS

PUBLIC SERVICE COMMISSION

GAS SAFETY

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These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, 45a (6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the public service commission by section 2 of 1969 PA 165, MCL 483.152, and **section 231 of 1965 PA 380, MCL 16.331, and Executive Reorganization Order Nos. 1996-2, 2003-1, 2008-4, and 2011-4, MCL 445.2001, MCL 445.2011, MCL 445.2025, and MCL 445.2030**)

R 460.20101, R 460.20304, R 460.20315, R 460.20318, R 460.20319, R 460.20327, R 460.20419, R 460.20420, R 460.20503, R 460.20603, R 460.20604, R 460.20605, and R 460.20606 of the Michigan Administrative Code are amended, and R 460.20332 is added as follows:

PART 1. GENERAL PROVISIONS

R 460.20101 Applicability of rules.

Rule 101. (1) These rules apply to the design, fabrication, installation, inspection, testing, and safety aspects of the operation and maintenance of gas pipeline facilities used in the transportation of gas.

(2) These rules do not apply to either of the following:

(a) The onshore gathering of gas under either of the following conditions:

(i) Through a pipeline that operates at less than 0 psig.

(ii) Through a pipeline that is not a regulated onshore gathering line as determined by 49 C.F.R. § 192.8.

(b) Any pipeline system that transports only petroleum gas or petroleum gas and air mixtures under either of the following circumstances:

(i) The pipeline has fewer than 10 customers and no portion of the system is located in a public place.

(ii) The pipeline has only 1 customer ~~and the system is located entirely on the customer's premises.~~

(3) The work performed within the scope of these rules shall meet or exceed all of the safety standards in these rules.

March 14, 2014

## PART 3. ADDITIONAL MINIMUM SAFETY STANDARDS

R 460.20304 Welding procedures.

Rule 304. In addition to the requirements contained in 49 C.F.R. §192.225, which is adopted by reference in R 460.20606, an operator shall ensure that a welding procedure meets all of the following requirements:

(a) Is qualified under either section IX of the ASME boiler and pressure vessel code, which is adopted by reference in R 460.20604, or section 5 of API standard 1104, which is adopted by reference in R 460.20603, whichever is appropriate to the function of the weld.

(b) Is qualified under appendix B of API standard 1104, which is adopted by reference in R 460.20603, **for pipelines operating at greater than 60 psig.**

(c) A copy of the welding procedure being followed is on the jobsite when welding is performed.

R 460.20315 Leaks occurring during uprating; repairs and monitoring required.

Rule 315. (1) In addition to the requirements contained in 49 C.F.R. §192.553, which is adopted by reference in R 460.20606, if the new and higher maximum allowable operating pressure will be more than 10 psig, then an operator shall expose and repair and monitor a leak that is detected during the uprating operation.

(2) An operator shall file a complete copy of the written plan described in 49 C.F.R. §192.553(c), which is adopted by reference in R 460.20606, with the commission not less than ~~10~~ **30** calendar days before commencement of a project.

R 460.20318 Gas leak investigation; establishment of service; customer leak complaint records.

Rule 318. (1) An operator shall conduct an investigation of every gas leak report received as soon as possible. If the investigation reveals a hazardous situation, then the operator shall take immediate action to evacuate, repair, or isolate the facilities involved to reduce any danger to the public.

(2) A distribution utility shall not establish gas service to an applicant until the utility has made a leakage test, using gas at utilization pressure, to ensure that the applicant's fuel line is gastight **and has made a determination that gas odor is detectible, where applicable. If fuel lines are not present upon completion of meter installation, the operator shall comply with all of the following:**

(a) **A valve shall be installed on the outlet piping of the meter. This valve shall be in the closed position.**

(b) **The valve shall be tagged with contact information of the distribution utility and notice that the fuel line installation must comply with applicable fuel piping codes.**

(c) **A mechanical device or fitting that will prevent the flow of gas shall be installed at the outlet piping.**

(3) An operator shall keep records of all customer leak complaints and the disposition of the complaints.

R 460.20319 Filing of operation and maintenance ~~plan~~ **manual** with commission required.

Rule 319. In addition to the requirements contained in 49 C.F.R. §192.605, which is adopted by reference in R 460.20606, an operator shall file the operation and maintenance ~~plan~~ **manual** required by 49 C.F.R. §192.605 with the commission **in paper or electronic form. The operation and maintenance manual shall include procedures that address both the federal rules and the rules contained in the Michigan gas safety standards.** An operator shall file a change in the operation and maintenance ~~plan~~ **manual** with the commission within ~~20~~ **90** ~~working~~ **calendar** days after the change is made. An operator shall identify the specific changes.

R 460.20327 Distribution system; leakage surveys and procedures.

Rule 327. In addition to the requirements contained in 49 C.F.R. §192.723, which is adopted by reference in R 460.20606, all of the following requirements apply:

(a) A gas leak located by a survey that, due to its location or relative magnitude, constitutes a hazard or potential hazard to the public or to buildings shall receive immediate corrective action. Immediate corrective action shall consist of an immediate effort to protect life and property and continuous remedial action thereafter until the condition is no longer hazardous.

(b) An operator shall schedule a gas leak which does not constitute an immediate hazard to the public or to buildings, but which requires scheduled repair within the operator's maintenance ~~plan~~ **manual**, for repair within 1 year.

(c) An operator shall ensure that a gas leak which is located by a survey, other than a leak covered by subdivision (a) or (b) of this rule, is subjected to regular surveillance at ~~least at~~ **intervals not exceeding 15 months, but at least once each calendar year.** ~~annually~~

**R 460.20332 Discontinuation of inactive service lines.**

**Rule 332. (1) In addition to complying with the requirements contained in 49 C.F.R. § 192.727, which is adopted by reference in R 460.20606, an operator, within 9 months of October 15, 2013, shall discontinue gas service for any inactive service line with components located inside a structure pursuant to the methods specified in either of the following regulations:**

**(i) In accordance with 49 C.F.R. § 192.727(d)(1) and (d)(2).**

**(ii) In accordance with 49 C.F.R. § 192.727(d)(3) by physically disconnecting the service line outside the building.**

**(2) As used in subrule (1) of this rule, “inactive service line” means a service line where there has been no customer of record for a continuous 24-month period and gas service to the premises has not been discontinued.**

#### PART 4. SOUR GAS PIPELINES

R 460.20419 Sour gas pipeline operating and maintenance ~~plan~~ **manual**; contents.

Rule 419. The ~~plan~~ **manual** required by 49 C.F.R. §192.605, which is adopted by reference in R 460.20606 and which shall be filed with the commission and updated as specified in R 460.20319, shall address all hazards inherent with the transportation of sour gas and shall contain plans and procedures to minimize the health risk to the operator's employees and the general public during normal operating conditions.

R 460.20420 Safety procedures for abnormal operating conditions.

Rule 420. The ~~plan~~ **manual** required by 49 C.F.R. §192.605, which is adopted by reference in R 460.20606 and which shall be filed with the commission and updated as specified in R 460.20319, shall also address the hazards inherent with the transportation of sour gas and shall include plans and procedures to minimize the health risk to the operator's employees and the general public during abnormal operating conditions.

## PART 5. RECORDS AND REPORTS

R 460.20503 Reports of incidents; telephonic notice to the commission.

Rule 503. (1) At the earliest practicable moment following discovery, an operator shall give notice to the commission staff of any of the following situations:

(a) An incident that is reportable ~~in accordance with~~ **pursuant to** 49 C.F.R. §191.5, which is adopted by reference in R 460.20606.

(b) An event ~~involving~~ **resulting in estimated** property damage of \$10,000.00 or more ~~affecting the safe operations of the pipeline system regardless of whether there was a release of gas~~ **including loss to the operator and others, or both, but excluding the cost of gas lost. As used in this subdivision, an “event” means on or relating to an operator’s facilities that may or may not involve a release of gas.**

(c) An event resulting in the loss of service to more than 100 customers.

(d) An event involving a customer's gas facility that results in a fatality or an explosion causing structural damage.

(e) An event that receives or is likely to receive extensive news coverage or is significant in the judgment of the operator, even though it did not meet the criteria of subdivisions (a), (b), (c), or (d) of this subrule. This subdivision is not subject to the penalty provisions of section 11 of Act No.165 of the Public Acts of 1969 **PA 165, being §MCL 483.161 of the Michigan Compiled Laws.**

**(f) An event resulting in an unintentional estimated gas loss of 1 million cubic feet or more.**

(2) If additional information is received by the operator after the initial report that indicates a different cause, more serious injury, or more serious property damage than was initially reported, then the operator shall make a supplemental telephone report to the commission staff as soon as practicable.

(3) When requested by the commission staff, an operator shall supplement a report made in accordance with subrule (1) of this rule within a reasonable time, with a written report giving full details, such as the cause of the incident or occurrence, the extent of injuries or damage, and the steps taken, if any, to prevent a recurrence of the incident or occurrence.

## PART 6. ADOPTION OF STANDARDS

R 460.20603 American petroleum institute standard; adoption by reference.

Rule 603. The following American petroleum institute standard is adopted by reference in these rules and is available at the price listed:

API standard 1104 ~~entitled~~ “Welding of Pipelines and Related Facilities,” (19 ~~20~~<sup>20</sup>th edition, 1999)

**2007**, including errata **1** ~~dated October 31, 2001; and 20th edition 2007, including errata (2007) and errata 2 (2008)~~), at a cost as of the time of adoption of these rules of ~~\$286.00~~ **\$295.00**.

R 460.20604 American society of mechanical engineers standard; adoption by reference.

Rule 604. The following American society of mechanical engineers standard is adopted by reference in these rules and is available at the price listed:

ASME boiler and pressure vessel code, section IX, entitled “**Welding and Brazing Qualifications Procedures, Welders, Brazers, and Welding and Brazing Operators**” (~~2004 edition, including addenda through July 1, 2005~~ **2007 edition, July 1, 2007**), at a cost as of the time of adoption of these rules of \$440.00.

R 460.20605 National association of corrosion engineers international standard; adoption by reference.

Rule 605. The following national association of corrosion engineers international standard is adopted by reference in these rules and is available at the price listed:

NACE MR0175/ISO 15156, ~~2004-2007~~**2009**, entitled “Petroleum and natural gas industries - materials for use in H<sub>2</sub>S-containing environments in oil and gas production” at a cost as of the time of adoption of these rules of \$242.00.

R 460.20606 Pipeline and hazardous materials safety administration standards; adoption by reference.

Rule 606. (1) The following pipeline and hazardous materials safety administration standard is adopted by reference in these rules and may be ordered from the ~~Government Publishing Office~~ **U.S. government printing office** via the internet at ~~bookstore.gpo.gov~~

**<http://bookstore.gpo.gov>** at a cost at the time of adoption of these rules at the price listed. The standard is also available for public inspection and distribution at the price listed from the Michigan Public Service Commission, ~~6545 Mercantile Way~~ **4300 W. Saginaw Highway**, Lansing, Michigan ~~48909-7721~~**48917**: 49 C.F.R. part 40 entitled “Procedures for Transportation Workplace Drug and Alcohol Testing Programs,” (2009 edition), at a cost as of the time of adoption of these rules of \$60.00.

(2) The following office of pipeline and hazardous materials safety administration standards are adopted by reference in these rules and may be ordered from the ~~Government Publishing Office~~ **U.S. government printing office** via the internet at ~~bookstore.gpo.gov~~

**<http://bookstore.gpo.gov>** at a cost at the time of adoption of these rules of \$23.00 for a single volume that contains all of the standards. The standards are also available for public inspection and distribution at the price listed from the Michigan Public Service Commission, ~~6545 Mercantile Way~~ **4300 W. Saginaw Highway**, Lansing, MI ~~48909-7721~~ **48917**:

(a) 49 C.F.R. part 191 entitled “Transportation of Natural and Other Gas by Pipeline: Annual Reports, Incident Reports, and Safety-related Condition Reports,” (~~2010~~ **2013** edition or ~~2009~~ **2012** edition and all additional final rule changes through October 1, ~~2010~~ **2013**).

(b) 49 C.F.R. part 192 entitled “Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards,” (~~2010~~ **2013** edition or ~~2009~~ **2012** edition and all additional final rule changes through October 1, ~~2010~~ **2013**).

(c) 49 C.F.R. part 199 entitled “Drug and Alcohol Testing,” (~~2010~~ **2013** edition or ~~2009~~ **2012**

edition and all additional final rule changes through October 1, ~~2010~~ **2013**).