

**IN RE: REVISIONS TO THE COMMISSION'S
GAS PIPELINE SAFETY RULES**

DOCKET 17545

ORDER APPROVING STAFF'S PROPOSED RULES REVISIONS

BY THE COMMISSION:

By Order entered in this cause on April 21, 2004, the Commission established this rulemaking proceeding to consider Revised Gas Pipeline Safety Rules and Regulations for the Commission. The revisions to said rules proposed by staff from the Commission's Gas Pipeline Safety ("GPS") Section of the Commission's Energy Division were attached to the Commission's April 21, 2004 Order.

The Commission's April 21, 2004 Order afforded an opportunity for interested parties to submit Comments concerning the GPS staff's proposed rules on or before May 21, 2004. Interested parties were further afforded an opportunity to submit Reply Comments on or before June 11, 2004.

The only initial Comments received by the Commission were submitted by the City of Alexander City's Gas Department and the Southeast Alabama Gas District. The comments of the City of Alexander City and the Southeast Alabama Gas District were subsequently withdrawn, however, due to clarification provided by the GPS staff. Given the absence of any initial Comments, the Commission concluded at its June 8, 2004 meeting that no purpose would be served by allowing the Reply Comment cycle to run. The Commission accordingly voted to adopt the modifications to the Commission's Gas Pipeline Safety Rules and Regulations proposed by GPS staff which are attached hereto as Appendix A. The revised rules adopted herein shall become effective commensurate with the effective date of this Order.

DOCKET 17545 - #2

IT IS SO ORDERED BY THE COMMISSION.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 21st day of June, 2004.

ALABAMA PUBLIC SERVICE COMMISSION

Jim Sullivan, President

Jan Cook, Commissioner

George C. Wallace, Jr., Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr., Secretary

APPENDIX A

**ALABAMA PUBLIC SERVICE COMMISSION
RULES AND REGULATIONS FOR GAS PIPELINE SAFETY**

Rule 1 – Applicability

These rules and regulations shall govern public utilities and persons subject to Title 37, Chapter 4, Article 3 and Article 3A of the Code of Alabama 1975.

Rule 2 – Operating and Maintenance Plans – Filings

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), Code of Alabama 1975, shall file with this Commission on or before the effective date of these rules, an operating and maintenance plan which meets the requirements of Title 49 C.F.R. Part 192.601 or 195.400, et seq.

Rule 3 – Emergency Plans – Filings

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), Code of Alabama 1975, shall file with this Commission on or before the effective date of these rules, an emergency plan which meets the requirements of Title 49 C.F.R. Part 192.615 or 195.402, et seq.

Rule 4 – Updating of Filings

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), Code of Alabama 1975, shall keep current the filings required by Rules 2 and 3 by filing with this Commission, within 10 days of adoption, any amendments, revisions, substitutes or revisions of the filings required by Rules 2 and 3.

Rule 5 – Drug Testing of Employees by Pipeline Operators

Operators of pipeline facilities subject to the jurisdiction of this Commission shall adopt an employee drug testing program that complies with the requirements of Title 49 C.F.R., Part 199, and any future amendments thereto.

Rule 6 – Reporting of Construction Work

All construction work involving the addition and/or replacement of gas or hazardous liquids pipelines or mains greater than 1000 feet in length shall be reported to the Alabama Public Service Commission before construction begins.

Rule 7 – Annual Reporting

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), Code of Alabama 1975, shall file annually with this Commission on or before March 15, for the preceding calendar year, a copy of U.S. Department of Transportation Form RSPA F 7100.1-1 which meets the requirements of Title 49 C.F.R. Part 191.11

Rule 8 – Safety Related Condition Reports

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), Code of Alabama 1975, shall file updates to all Safety Related Condition Reports each 30 days until such “*Condition*” has been resolved to meet the requirements of “Guidelines for States Participating in the Pipeline Safety Program, paragraph 6.3, pg. 28.

Regulation GPS – 1

Suspension of Gas Supply – Upon Commission order, a gas distribution system shall

DOCKET 17545 - #4

suspend until further Commission order the gas supply on a three hour notice to any pipeline system or applicable portion thereof:

- a) When any owner or controlling entity of a non-conforming gas pipeline system has been previously cited by the Commission for such non-conformance and has subsequently failed to bring such system into compliance for an additional 30 days after the citation hearing.
- b) Whenever a Commission inspector discovers or verifies hazardous conditions existing in a pipeline system that create an immediate danger to human life or property.



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

LUCY BAXLEY, PRESIDENT

TWINKLE ANDRESS CAVANAUGH, ASSOCIATE COMMISSIONER

TERRY L. DUNN, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.

SECRETARY

**IN RE: REVISIONS TO THE COMMISSION'S
GAS PIPELINE SAFETY RULES**

DOCKET 17545

**ORDER ADOPTING AMENDMENTS TO GAS PIPELINE SAFETY RULE 7
AND ADOPTING GAS PIPELINE SAFETY RULES 9 AND 10**

BY THE COMMISSION:

Pursuant to Order entered in this cause on May 21, 2012, the Commission advised interested parties that staff from the Gas Pipeline Safety Section ("GPS Staff") of the Energy Division of the Alabama Public Service Commission (the "Commission") had recommended the adoption of revisions to the Commission's Gas Pipeline Safety ("GPS") Rule 7 and new GPS Rules 9 and 10 as set forth below:

GPS Rule 7 – Annual Reporting

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), *Code of Alabama* 1975, shall file annually with this Commission on or before March 15, for the preceding calendar year, a copy of U.S. Department of Transportation Form PHMSA F 7100.1-1 which meets the requirements of Title 49 Code of Federal Regulations (CFR) Part 191.11 for Distribution systems; Form PHMSA F 7100.2.1 which meets the requirements of Title 49 Part 191.17(a) for Transmission and Gathering systems; Form PHMSA 7100.3-1 which meets the requirements of Title 49 Part 191.17(b) for Liquefied Natural Gas (LNG) systems; or on or before June 15, for the preceding calendar year, a copy of PHMSA F 7000-1.1 which meets the requirements of Title 49 Part 195.49 for Hazardous Liquids systems.

GPS Rule 9 – Telephonic Reporting of Accidents/ Incidents

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), *Code of Alabama* 1975, shall notify, by telephone, the Gas Pipeline Safety office of any natural gas or hazardous liquid-related accident/incident that involves a death or injury requiring hospitalization or exceeds \$5,000 in total damage. This notification shall be made not less than one (1) hour after confirmed discovery of the accident/incident.

GPS Rule 10 – Accident/Incident Reporting

All public utilities and persons, as defined by Section 37-4-80(1) or Section 37-4-90(1), *Code of Alabama* 1975, shall file with this Commission, within thirty (30) days of a reportable accident/incident, a copy of U.S. Department of Transportation Form PHMSA F 7100.1 for Distribution systems; Form PHMSA F 7100.2 for Transmission and Gathering Systems; Form PHMSA F 7000-1 for Hazardous Liquids systems; or Form PHMSA F 7100.3 for Liquefied Natural Gas (LNG) systems.

The Commission's May 21, 2012, Order invited both initial and reply comments from interested parties concerning the new GPS Rules proposed by GPS Staff. The Commission did not, however, receive any such comments. The Commission has accordingly determined that the amendment to GPS Rule 7 and GPS Rules 9 and 10 proposed by GPS Staff are reasonable, appropriate and required by the public convenience and necessity. Said Rules as set forth herein are adopted and effective as noted below.

IT IS SO ORDERED BY THE COMMISSION.

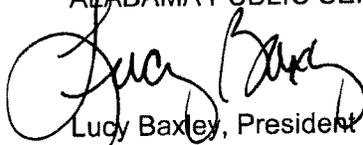
IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

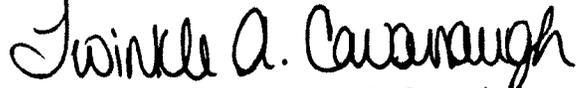
DOCKET 17545 - #3

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 19th day of October, 2012.

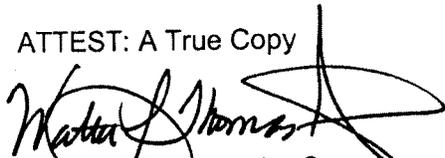
ALABAMA PUBLIC SERVICE COMMISSION


Lucy Baxley, President


Twinkle A. Cavanaugh, Commissioner


Terry L. Dunn, Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary



STATE OF ALABAMA
PUBLIC SERVICE COMMISSION
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JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

**IN RE: REVISIONS TO THE COMMISSION'S
GAS PIPELINE SAFETY RULES**

DOCKET 17545

ORDER APPROVING STAFF'S PROPOSED GAS PIPELINE SAFETY RULE 11

BY THE COMMISSION:

By Order entered in this cause on March 11, 2015, the Commission established this rulemaking proceeding to consider the adoption of a new Gas Pipeline Safety Rule 11. The proposed rule was recommended by staff from the Gas Pipeline Safety ("GPS") Section of the Commission's Utility Enforcement Division. The newly proposed GPS Rule 11 was attached to the Commission's March 11, 2015, Order which afforded interested parties an opportunity to submit Comments concerning the GPS staff's proposed Rule 11 on or before March 24, 2015. Interested parties were further afforded an opportunity to submit Reply Comments on or before April 3, 2015.

The only initial Comments received by the Commission were submitted by the Alabama Natural Gas Association ("ANGA"). Said comments conveyed support for the proposed GPS Rule 11 and recognized that the rule helped further ANGA's objective of promoting safety in the natural gas industry. No reply comments were submitted for the Commission's consideration.

At the public meeting of the Commission held on April 7, 2015, the Commission unanimously voted to adopt GPS Rule 11 as recommended by the GPS staff as said rule was found to be reasonable, appropriate and required by the public convenience and necessity. The newly adopted GPS Rule 11 is attached hereto as Appendix A and shall become effective commensurate with the effective date of this Order.

APPENDIX A

Alabama Public Service Commission GPS Rule 11
Chapter 770-x-7
Gas Pipeline Safety Rules

770-X-7-11 Safety Compliance Proceedings.

(a) Overview

Safety Compliance Proceedings (sometimes referred to as "SCPs") are intended to provide the APSC and its staff with the ability to be more proactive in addressing pipeline safety issues which pose a moderate to serious threat to public safety, property or the environment without having to rely exclusively on the more formal investigative procedures which are established by Alabama statute. SCPs may be recommended by the GPS Administrator and the UED Director, and instituted by the APSC Executive Director when there is a determination that a particular pipeline or gas facility has, or continues to have, a condition or conditions that pose a moderate to serious pipeline integrity risk which endangers public safety, property, or the environment. The factors that are to be considered in determining whether a pipeline integrity risk exists as well as the notification and due process procedures governing SCPs are addressed in more detail below in subsections d(3) and (h), respectively.

(b) Notice of the Institution of Safety Compliance Proceedings

(1) The Secretary of the APSC will serve a written Safety Compliance Notice which signifies the institution of a Safety Compliance Proceeding on any affected pipeline facility operator, in person, by registered or certified mail, overnight courier, or electronic transmission by facsimile or other electronic means that includes reliable acknowledgement of actual receipt. The Safety Compliance Notice will set forth the alleged condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment and state any other facts and circumstances that support the institution of the Safety Compliance Proceeding for the specified pipeline or portion thereof. The Safety Compliance Notice may also specify proposed testing, evaluations, integrity assessment, or other actions to be taken by the operator and may propose that the operator submit a work plan and schedule to address and correct the conditions identified in the Safety Compliance Notice. The Safety Compliance Notice will also provide the operator with response options including procedures for requesting informal consultation and/or a formal hearing as addressed in more detail in subsections (c) and (d) below.

An operator receiving a Safety Compliance Notice will have up to, but not exceeding 30 days, to respond in writing to the Safety Compliance Notice unless granted additional time by the APSC Executive Director. Such responses must be filed with the Secretary of the APSC in the manner required by Rule 4 of the APSC's *Rules of Practice*.

(c) Informal Consultation

Within 30 calendar days of the issuance of a Safety Compliance Notice, the APSC Executive Director may, at the written request of an operator in receipt of a Safety Compliance Notice, provide an opportunity for informal consultation concerning the condition or conditions which led to the institution of the Safety Compliance Proceeding. Such informal consultation shall commence within 30 calendar days from the issuance of the Safety Compliance Notice provided that the APSC Executive Director may extend the time for consultation upon request for good cause shown. Informal consultation is intended to provide an opportunity for the operator to explain the circumstances associated with the risk condition or conditions identified in the Safety Compliance Notice establishing the Safety Compliance Proceeding and, where appropriate, to present a proposal for corrective action. Such actions shall not prejudice the operator's position in any subsequent hearing.

If the operator and the APSC Executive Director (after consultation with each APSC Commissioner) agree on a plan for the operator to address each risk condition identified in the Safety Compliance Notice, a binding written consent agreement incorporating the terms of the agreement may be entered. If a consent agreement is reached, no further hearing will be provided in the matter and any pending hearing request will be considered withdrawn.

If a consent agreement is not reached within 30 calendar days of the issuance of the Safety Compliance Notice establishing the Safety Compliance Proceeding, or any extended period for consultation authorized by the APSC Executive Director, the APSC Executive Director may proceed with the hearing and post hearing procedures set forth in subsection (d) below. In that event, offers of settlement made by the operator during the informal consultation period shall be excluded from the record in any subsequent hearing.

Nothing in this section precludes the APSC Executive Director from terminating the informal consultation process if there is reason to believe that an operator is not engaging in good faith discussions. The APSC Executive Director may also terminate the informal consultation process if it is determined that further consultation would be counterproductive or contrary to the public interest. In addition, if the APSC Executive Director, subsequently determines that an operator has failed to comply with the terms of a binding, written consent agreement, the APSC may, through the APSC Executive Director, pursue any and all administrative or judicial remedies available to the APSC under Title 37 of the Code of Alabama, 1975, and the provisions of this Program Operations Plan.

(d) Guidelines for Hearings

(1) Requests for Hearing

An operator receiving a Safety Compliance Notice may contest the issues addressed in the notice, or any portion thereof, by filing with the Secretary of the Commission a written request for a hearing within 30 calendar days following receipt of the notice or within ten (10) calendar days following the conclusion of any informal consultation that does not result in the entry of a binding, written consent agreement. In the absence of a timely request for hearing, however, the APSC Executive Director may recommend to the APSC the issuance of a Safety Compliance Order in accordance with the provisions of subsection (e) below.

(2) **The Hearing Process**

In the event that a hearing goes forward in any Safety Compliance Proceeding established, the matter will be formally docketed as an investigation pursuant to **Code of Alabama, 1975**, §37-1-83. An APSC Administrative Law Judge will serve as the presiding officer in such hearing which will be conducted in a manner consistent with the rules governing other hearings before the APSC as set forth by Alabama statute and the APSC's *Rules of Practice*. The operator may submit any relevant information or materials, call witnesses and present arguments on the issues identified and in response to the question of whether a Safety Compliance Order should be issued to address the condition or conditions that are alleged to pose a pipeline integrity risk to public safety, property, or the environment.

(3) **Matters Considered In Determining That A Pipeline Facility Has A Condition That Poses An Integrity Risk**

In determining whether a pipeline facility has a condition that poses a pipeline integrity risk to public safety, property, or the environment under paragraph (a) of this section, the APSC Executive Director shall consider: the facts and circumstances of each particular case absent a contrary demonstration by an operator. A key consideration in such determinations is whether the pipeline operator's facility or a component thereof has been constructed or operated with any equipment, material, or technique with a history of being susceptible to failure when used in pipeline service. Other factors to be considered include, but are not limited to:

- (i) The characteristics of the pipe and other equipment used in the pipeline facility involved, including its age, manufacturer, physical properties (including its resistance to corrosion and deterioration), and the method of its manufacture, construction, or assembly;
- (ii) The nature of the materials transported by such facility (including their corrosive and deteriorative qualities), the sequence in which such materials are transported, and the pressure required for such transportation;
- (iii) The characteristics of the geographical areas where the pipeline facility is located, in particular the climatic and geologic conditions (including soil characteristics) associated with such areas;
- (iv) For hazardous liquid pipelines, the proximity of the pipeline to an unusually sensitive or high consequence area;
- (v) For natural gas pipelines, the proximity of the pipeline to a high consequence area;
- (vi) The population density and growth patterns of the area in which the pipeline facility is located;
- (vii) Any relevant recommendation of the National Transportation Safety Board issued in connection with any investigation conducted by the Board;
- (viii) The likelihood that the condition will impair the serviceability of the pipeline;
- (ix) The likelihood that the condition will worsen over time; and

- (x) The likelihood that the condition is present or could develop on other segments of the pipeline.

(4) **Post Hearing Action**

Following a hearing under this section, the APSC Executive Director, in consultation with the GPS Administrator and UED Director, will assess the evidentiary record compiled in a manner consistent with subsections (d)3 above. If the Executive Director finds that the operator's system indeed has a condition that poses a pipeline integrity risk to public safety, property, or the environment, the APSC Executive Director will recommend to the APSC the issuance of a Safety Compliance Order under this section. If the APSC Executive Director does not find that the operator has such a condition, or concludes that a Safety Compliance Order is otherwise unwarranted, the APSC Executive Director will recommend the termination of the Safety Compliance Proceeding to the APSC. An order rendering final disposition of the proceeding will be entered by the APSC. Nothing in this subsection shall preclude the APSC and the operator from entering into a binding, written consent agreement at any time before a Safety Compliance Order is issued.

(e) ***Information Included In Safety Compliance Orders Shall Contain The Following:***

- (1) A finding that the pipeline facility has a condition that poses a pipeline integrity risk to public safety, property, or the environment;
- (2) The relevant facts which form the basis of that finding;
- (3) The legal basis for the order;
- (4) The nature and description of any particular corrective actions to be required of the pipeline operator; and
- (5) The date(s) by which the required corrective actions must be taken or completed and, where appropriate, the duration of the order.

(f) ***Termination or Rescission of a Safety Compliance Proceeding***

Once all remedial actions set forth in a Safety Compliance Order and associated work plans are completed, as determined by the GPS Administrator, the UED Director and the Executive Director, the Executive Director will determine whether the pipeline operator has satisfactorily addressed the condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment. If it is determined that there is no longer a pipeline integrity risk, the APSC Executive Director will notify the Respondent operator that the Safety Compliance Order has now been satisfied and the Safety Compliance Proceeding is terminated.

(g) ***Other Enforcement Actions***

Nothing in this section precludes the Alabama Public Service Commission from issuing a Notice of Probable Violation under Paragraph S of this Plan or 49 CFR Part 192 §190.207 or taking other enforcement action, if noncompliance is identified at the facilities that are the subject of a Safety Compliance Proceeding.

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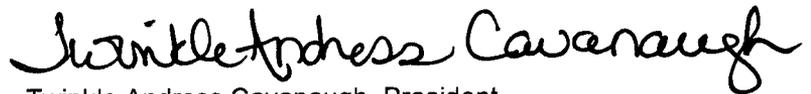
IT IS SO ORDERED BY THE COMMISSION.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

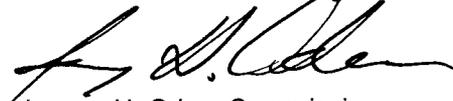
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 18th day of May, 2015.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President



Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary



STATE OF ALABAMA
PUBLIC SERVICE COMMISSION
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**IN RE: REVISIONS TO THE COMMISSION'S
GAS PIPELINE SAFETY RULES**

DOCKET 17545

ORDER INSTITUTING A RULEMAKING PROCEEDING

BY THE COMMISSION:

To more strongly emphasize that all pipeline facilities under the safety jurisdiction of the Commission are governed by the federal pipeline safety rules and regulations, Staff from the Gas Pipeline Safety Division ("GPS Division") has recommended that the Commission adopt a new Gas Pipeline Safety Rule ("GPS Rule 12") as set forth below:

Proposed GPS Rule 12 – Applicable Safety Regulations

The standards established in 49 CFR Parts 190, 191, 192, 193, 194, 195, 198, and 199 and all applicable sections and amendments thereto are hereby adopted and shall be enforced by the Alabama Public Service Commission as the controlling standards for the construction and maintenance of safe and adequate intrastate natural gas and hazardous liquid pipeline facilities under the jurisdiction of the Alabama Public Service Commission.

The Commission will consider written comments from interested parties prior to adopting GPS Rule 12 as proposed by the GPS Division. In order to be considered, said comments from interested parties must be received by the Commission on or before the close of business on October 26, 2015. Any comments submitted will be available for review on the Commission's website at www.psc.alabama.gov.

DOCKET 17545 - #2

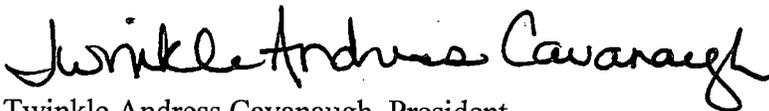
IT IS SO ORDERED BY THE COMMISSION.

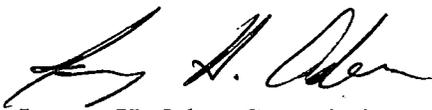
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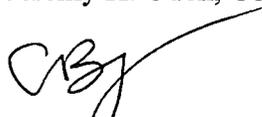
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 29th day of September, 2015.

ALABAMA PUBLIC SERVICE COMMISSION


Twinkle Andress Cavanaugh, President


Jeremy H. Oden, Commissioner


Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary