



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

JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

**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 The comments of the City of Alexander City and the Southeast Alabama Gas District were subsequently withdrawn, however, due to clarification provided by the GPS staff.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.

Regulation GPS – 1

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



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LUCY BAXLEY, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
SUSAN D. PARKER, PhD, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

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

DOCKET 17545

ORDER ADOPTING GAS PIPELINE SAFETY RULES 7 AND 8

BY THE COMMISSION:

Pursuant to Order entered in this cause on August 24, 2009, the Commission advised interested parties that staff from the Gas Pipeline Safety Section ("GPS Staff") of the Commission's Energy Division had recommended the adoption of two new Gas Pipeline Safety ("GPS") Rules 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 RSPA F 7100.1-1 which meets the requirements of Title 49 C.F.R. Part 191.11.

GPS 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 the "Guidelines for States Participating in the Pipeline Safety Program," paragraph 6.3, pg. 28, as promulgated by The Federal Department of Transportation Office of Pipeline Safety ("PHMSA").

The Commission's August 24, 2009, Order invited both initial and reply comments from interested parties concerning the new GPS Rules proposed by the GPS Staff. The Commission did not, however, receive any such comments. The Commission has accordingly determined

10-0022

that GPS Rules 7 and 8 as proposed by the 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.

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

DONE at Montgomery, Alabama, this 13th day of January, 2010.

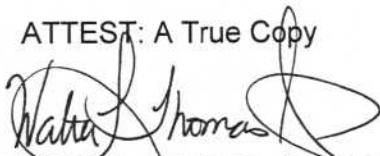
ALABAMA PUBLIC SERVICE COMMISSION


Lucy Baxley, President


Jan Cook, Commissioner


Susan D. Parker Commissioner

ATTEST: A True Copy


Walter L. Thomas, Jr., Secretary



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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.

12-1190

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.

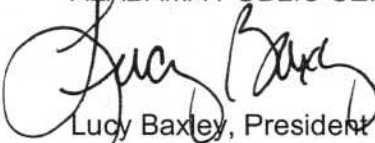
IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

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

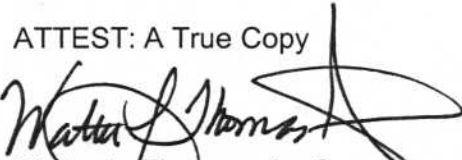


Twinkle A. Cavanaugh, Commissioner



Terry L. Dunn, Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary



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TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

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.

15-0361

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.

DOCKET 17545 - #2

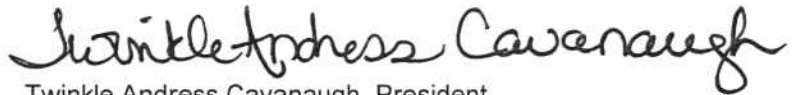
IT IS SO ORDERED BY THE COMMISSION.

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 18th day of May, 2015.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President

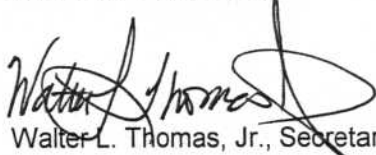


Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary



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TWINKLE ANDRESS CAVANAUGH, PRESIDENT

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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 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.

15-0783

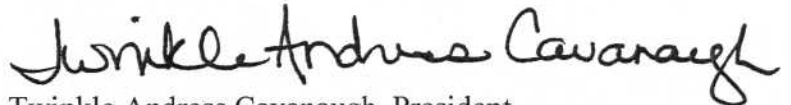
IT IS SO ORDERED BY THE COMMISSION.

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 29th day of September, 2015.

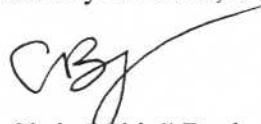
ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President

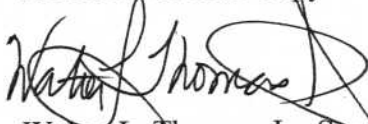


Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary



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CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

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

DOCKET 17545

ORDER APPROVING GAS PIPELINE SAFETY RULES 13 AND 14

BY THE COMMISSION:

By Order entered in this cause on June 26, 2017, the Commission adopted Gas Pipeline Safety Rules 13 and 14 as said rules had been proposed and recommended by staff from the Gas Pipeline Safety ("GPS") Division of the Commission. Newly adopted GPS Rule 13 imposes certain requirements on operators of natural gas and hazardous liquid pipeline facilities with respect to abandoned or inactive service lines. Newly adopted GPS Rule 14 establishes procedures for the imposition and payment of fines as recommended by the GPS Division Director under defined circumstances.

Both of the new rules adopted were set forth in their entirety in the Commission's March 24, 2017, Order, which established this proceeding and afforded interested parties an opportunity to submit comments concerning the staff's proposed rules on or before April 21, 2017. Interested parties were further afforded an opportunity to submit reply comments on or before May 12, 2017. The only comments received by the Commission were submitted by Energy Vision, LLC ("Energy Vision"), a firm which performs consulting services for the gas pipeline industry. The comments submitted by Energy Vision were more clarifying in nature than suggestive of substantive changes to the rules as proposed.

At the public meeting of the Commission held on June 8, 2017, the Commission unanimously voted to adopt GPS Rules 13 and 14 as recommended by the GPS staff and set forth in the Commission's March 24, 2017, Order. The Commission found that the proposed new rules were reasonable, appropriate and would serve the public convenience and necessity.

Following the entry of the Commission's June 26, 2017, Order adopting GPS Rules 13 and 14, the GPS staff was made aware that a number of Natural Gas and Hazardous Liquid Pipeline Operators

18-0553

("Operators") affected by the newly adopted rules were unaware of the rulemaking proceeding conducted in this cause. Upon further investigation, the GPS staff learned that several Operators had revised service and contact information that had not been communicated to the Commission. GPS staff accordingly recommended that an additional comment cycle be established to ensure that all affected Operators who desired to submit comments regarding GPS Rules 13 and 14 would have an opportunity to provide input regarding the rules in question. By Order entered on September 29, 2017, the Commission established the additional comment cycle recommended and allowed all interested parties who desired to submit comments regarding GPS Rules 13 and 14 as set forth in Appendix "A" attached to said Order an opportunity to do so. The Commission noted that it would evaluate any and all additional comments received on or before October 27, 2017, and determine whether any modifications to GPS Rules 13 and 14 should be implemented.

A number of interested parties took advantage of the additional comment window established in the Commission's September 29, 2017, Order in this cause and filed comments for the Commission's consideration with respect to GPS Rule 13. Comments were in fact received from Decatur Utilities, North Alabama Gas District, the Water Works Sewer and Gas Board of the City of Scottsboro, Huntsville Utilities, the City of Florence Gas Department, Wheeler Basin Natural Gas Company, Northwest Alabama Gas District, the Athens Utilities Gas Department, and the Alabama Natural Gas Association. Several commenters questioned the need for GPS Rule 13,¹ but most of the comments submitted suggested definitional and interpretational clarifications that would make GPS Rule 13 more effective and enforceable.²

After consideration of all the comments submitted, the Commission has determined that the public interest will best be served by adoption of GPS Rules 13 and 14. However, the Commission found merit with many of the constructive comments received with regard to GPS Rule 13 that provided definitional and interpretational guidance designed to make that rule more effective and enforceable. The final version of GPS Rule 13 which is set forth in Appendix A hereto incorporates many of the definitional and interpretational suggestions provided by interested parties in the comments submitted.

¹ See comments of North Alabama Gas District, the City of Florence Gas Department, and Northwest Alabama Gas District.

² See comments of Decatur Utilities, the Waterworks and Sewer Board of the City of Scottsboro, Huntsville Utilities, Wheeler Basin Natural Gas Company and the Alabama Natural Gas Association.

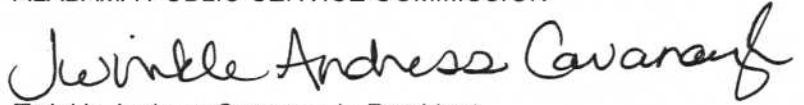
IT IS, THEREFORE, ORDERED BY THE COMMISSION, That GPS Rules 13 and 14 as set forth in Appendix A hereto are hereby finally adopted.

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 premises.

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

DONE at Montgomery, Alabama, this 13th day of July, 2018.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President

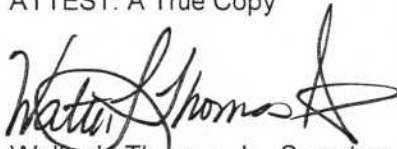


Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary

APPENDIX "A"

GPS Rule 13¹

GPS Rule 13 – Inactive Gas Service Lines

- 1) Definitions as used in this GPS Rule 13 - The following terms shall be defined as set forth below:
 - (a) Abandoned Service Lines – Those service lines permanently removed from service
 - (b) Existing or Probable Hazard Leak - A leak that represents an existing or probable hazard to persons or property and requires immediate repair or continuous action until the conditions are no longer hazardous.
 - (c) Inactive Service Lines – Those service lines that continue to have natural gas within them, but have no meter attached to the service riser such that a "no flow" situation exists.
 - (d) Service Line - A distribution line that transports gas from a common source of supply to an individual customer; to two adjacent or adjoining residential or small commercial customers; or to multiple residential or small commercial customers served through a meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream; or at the connection to customer piping if there is no meter.

- 2) Disconnection Requirements: Inactive Service Lines Determined to be an Existing or Probable Hazard.
 - (a) An operator shall take immediate action to protect persons and property if it is determined that an inactive service line for which the meter has been removed is an existing or probable hazard to persons or property. Except as noted in §4(b) of this GPS Rule 13, a service line that has been determined to be an existing or probable hazard shall be abandoned immediately. If, however, a determination is made that the situation no longer presents that hazard to persons or property, abandonment shall be completed within twelve months of such determination.
 - (b) Such lines shall be disconnected as close as possible to the main and be purged and capped. If the main the service line is attached to is located under a paved surface, the operator may choose to abandon the service line at the curb with accurate mapping and marking for future locating purposes.
 - (c) This §2 shall not be applicable to service lines for which customers are paying a provider/operator a regular charge to ensure the availability of such service lines as long as remediation of the hazard has been accomplished.

- 3) Disconnection Requirements: Non-Excess Flow Valve ("EFV") Equipped Inactive Service Lines Determined to Not be Potentially Hazardous.
 - (a) Within three years of the meter removal, all inactive service lines not equipped with an EFV which have been determined to not be hazardous shall be disconnected at, or as close as possible, to the main. Such service lines shall also be purged and capped.
 - (b) This §3 shall not be applicable to service lines for which customers are paying a provider/operator a regular charge to ensure the availability of the service lines.

- 4) Disconnection Requirements: Inactive Service Lines Equipped with Excess Flow Valves ("EFVs") Determined to Not be Potentially Hazardous.
 - (a) General Disconnection Requirements - With the exception of Polyethylene ("PE") Services, all inactive service lines equipped with an EFV that have been determined to not be potentially hazardous shall within three years of the meter removal be disconnected.

- i. Disconnection shall be accomplished upstream of the EFV in order to reduce possible sizing issues of the EFV should the service be returned to active duty at a later date. Such lines should also be purged and capped.
 - ii. This § 4(a) shall not be applicable to those service lines for which customers pay a provider/service operator a regular charge to ensure the availability of such service lines.
- (b) Disconnection Requirements for Polyethylene Service Lines – All inactive PE service lines with a verifiable Excess Flow Valve (EFV) that have been determined to not be potentially hazardous may be exempted from the requirement for disconnection, purging and capping within three years of meter removal as set forth in §4(a) of this rule.
 - i. Monitoring will be required on such lines, however, to ensure the absence of leaks.
 - ii. Disconnection, purging and capping will be mandatory for such services after five years, but shall not include those service lines for which customers pay a provider/operator a regular charge to ensure the availability of such service lines.
- (c) Service Line Stubs in New Subdivisions – Service line stubs in new subdivisions installed after June 1, 2018, shall be exempted from this rule. Such Stubs should not, however, be installed in such a way as to expose the polyethylene pipe to ultraviolet rays. Such service line Stubs should also be buried with the end of the pipe marked in a manner which will expedite future tie-ins.

5) Documentation of Inactive Services

- (a) Records Requirements - Each operator shall keep a separate record of all inactive services which identifies the affected service lines by one or more of the following:
 - i. Meter route sheets or meter readers while conducting monthly readings
 - ii. Meter removal orders
 - iii. Service leak repair orders
 - iv. Atmospheric corrosion surveys
 - v. Any other means deemed appropriate by the operator to gather the required data
- (b) Records Review and Retention Requirements
 - i. The record of inactive services required by Section 5(a) above shall be reviewed annually by the operator and shall be an inspection item for the GPS Division. Said record shall be the source for conducting retirements as mandated in Sections (1-3) of this rule.
 - ii. All records required by this rule shall be retained for a minimum of ten years.

6) Additional Requirements

- (a) The records required pursuant to this rule must include the size, material, and location of all remaining service line stubs. Said records, including the line stub locations, shall be readily available to personnel assigned to pipeline locating activities.
- (b) After one year on the inactive service record required by this rule, but prior to abandonment, the service riser for all service lines identified as inactive but not yet abandoned shall be marked in a manner indicating their still-inactive status. Acceptable methods of marking include painting the riser yellow, marking with a metallic tag, and/or installing a pipeline marker
- (c) All inactive service lines included in the record required by this rule shall be leak surveyed from the main to the service riser on a bi-annual basis, not to exceed 30 months until such time as the service line is abandoned.

DOCKET 17545 - #6

- 7) Distribution Integrity Management Plan (DIMP) Requirements: All inactive service lines shall be included in the operator's DIMP. Potential threats toward the inactive service lines shall also be included in the DIMP and risk ranking shall be completed for the inactive service lines pursuant to 49 C.F.R. Part 192 Subpart P. If the risk assessment identifies any inactive service lines as a high-risk item, such service lines shall be abandoned within three months after completion of the risk assessment.

- 8) Effective Date: This rule shall not become effective until January 1, 2020. All remedial actions required under this rule shall be completed within 3 years of the January 1, 2020, effective date of this rule.

GPS Rule 14

GPS Rule 14 - Recommended fines for probable violations

14(a) Procedures for the recommendation of fines:

Subject to the consent of the Executive Director and the Commissioners of the Alabama Public Service Commission (the "APSC"), the Director of the Gas Pipeline Safety Division (the "GPS Director") may recommend the imposition of fines up to \$1,000 for GPS staff-identified probable violations of the Gas Pipeline Safety Rules and Regulations established at 49 CFR Parts 192 through 199. The GPS Director shall notify the APSC Executive Director and the APSC Commissioners, in writing, of any fines so recommended at least 10 days before proceeding with notification to the affected natural gas and/or hazardous liquid operators ("operators"). If no objections to the recommended fines are communicated by the Executive Director and/or the APSC Commissioners, the GPS Director may proceed with notifying the affected operator of the probable violation(s) and recommended fine(s) in question.

14(b) Elections Procedures for Operators:

Operators who receive written notice of recommended fines for probable violations shall, in writing, exercise their option to either accept or contest the recommended fines and the associated probable violations on the form provided by the GPS Director. In the event the operator elects to accept the recommended fines, the operator's election in that regard shall constitute a waiver of the operator's right to a due process hearing in settlement of the proposed violations cited in the written notice. In the event the operator elects to contest the recommended fines and the associated probable violation, the procedures necessary to establish a due process hearing may be commenced by the Commission. The election discussed herein shall be filed with the Secretary of the Commission no later than 20 days after the service date reflected in the notice issued by the GPS Director recommending the fines.

14(c) Compliance Status of Operators who elect to pay Recommended fine(s):

Operators who elect to pay fines recommended by the GPS Director in the manner prescribed herein will, upon receipt by the Commission of such fines along with the required form waiving the operator's right to a due process hearing, be considered in compliance subject to a follow-up inspection by GPS staff. The GPS Director will issue a written notice of compliance upon receiving notification from GPS staff of the operator's compliance following the further inspection. Any probable violation(s) that are not corrected in a manner which is satisfactory to GPS staff upon further investigation may or may not be addressed pursuant to the provisions of this rule regardless of the fine(s) which may have been consented to and paid. Appropriate notice will be given by the GPS staff so as to clearly advise operators of the procedures which are applicable to their situation.



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

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

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 REVISED
GAS PIPELINE SAFETY RULE 9**

BY THE COMMISSION:

By Order entered in this cause on September 14, 2018 the Commission established this rulemaking proceeding to consider the adoption of revisions to Gas Pipeline Safety Rule 9. The proposed revisions to Rule 9 were recommended by staff from the Commission's Gas Pipeline Safety ("GPS") Division. The proposed revisions to GPS Rule 9 were attached to the Commission's September 14, 2018 Order which afforded interested parties an opportunity to submit comments concerning the proposed revisions to the rule on or before October 15, 2018. Interested parties were further afforded an opportunity to submit Reply Comments on or before November 5, 2018. On or about November 6, 2018 the Alabama Natural Gas Association ("ANGA") submitted a request for an extension of time to and through November 14, 2018 to file Reply Comments. In a Procedural Ruling issued on November 6, 2018, the Petition of ANGA was granted and the time period for any interested party to file Reply Comments was extended until November 14, 2018.

Initial comments were received from ANGA, Decatur Utilities ("DU"), the Water Works and Sewer Board of the City of Scottsboro ("City of Scottsboro") and the Office of the Attorney

DOCKET 17545 - #2

General of Alabama (the "Attorney General of Alabama" or the "AG"). In its comments, the City of Scottsboro urged adoption of the recommendations submitted by ANGA.

ANGA and DU generally supported the newly established damage threshold of \$10,000 in GPS Rule 9 as recommended by the staff. ANGA and DU did, however, recommend raising the outage threshold for notification to the Commission from 50 customers impacted to 75 customers.

ANGA and DU further supported the establishment of definitions in the proposed rule which were more definitive and consistent with the federal guidelines, particularly 49 CFR 191.3. The Attorney General of Alabama also recommended the establishment of more definitive definitions within the rule as proposed as well as expanding the coverage of the rule to other incidents.

ANGA and DU expressed concerns regarding the establishment of a notification requirement of not less than one (1) hour after operator notification of an accident or incident. ANGA recommended establishing the notification time period at not more than one (1) hour after confirmed discovery by the operator of an incident requiring action under the rule. ANGA and DU also expressed reservations regarding the extension of the notification requirement to media or social media contacts or inquiries to operators as initially recommended by staff.

The AG recommended that the reporting requirement under the rule be expanded to include a requirement that operators must notify the Consumer Interest/Utilities Division of the Office of the Attorney General by certified mail of incidents falling within the guidelines established by the rule. The AG asserted that such an additional requirement would keep the AG informed of significant pipeline accidents/incidents and therefore aid in the AG's One-Call enforcement efforts.

DOCKET 17545 - #3

In its Reply Comments, ANGA asserted that while it was supportive and appreciative of the efforts of the AG to enforce Alabama's One-Call Law, GPS Rule 9 does not provide the correct triggers for prosecution by the AG under the One-Call Law. ANGA thus represented that it was not appropriate to impose an obligation on gas pipeline and hazardous liquid pipeline operators in Alabama to provide a written notification of incidents meeting the parameters of Rule 9 to the Office of the Attorney General. ANGA maintained that it would be more appropriate for operators to refer incidents to the Office of the Attorney General following the completion of an investigation wherein there was a determination of a possible violation of the One-Call Law.

Following consideration of all the Initial and Reply Comments received, Commission staff formulated further revisions to GPS Rule 9 to incorporate a number of the recommendations submitted by the interested parties as noted above. The Commission finds that revised GPS Rule 9 as recommended by the staff following consideration of the input provided by the parties to this cause is reasonable, appropriate and due to be adopted. We accordingly conclude that GPS Rule 9 as attached hereto in Appendix "A" is adopted and shall become effective commensurate with the effective date of this Order.

IT IS SO ORDERED BY THE COMMISSION.

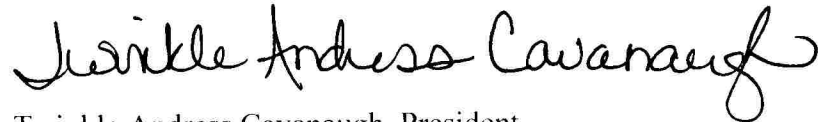
IT IS FURTHER ORDERED BY THE COMMISSION. That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premise.

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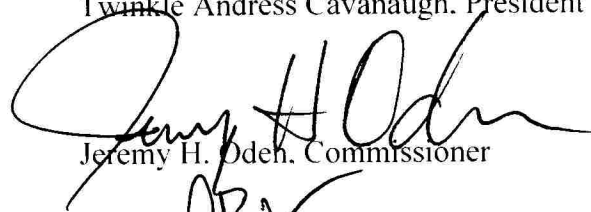
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 17th day of April, 2019.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President

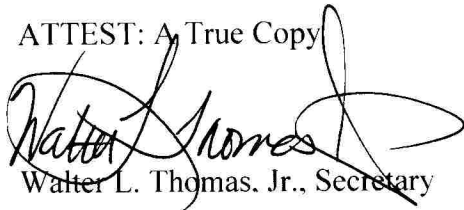


Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary

APPENDIX "A"

770X-7-.09 Telephonic Reporting of Accidents/Incidents

1. Definitions (as used in this Section):

- (a) *Damage* means the dollar amount of loss to the operator including lost product, material costs, labor costs, equipment costs and site clean-up. Damage does not include costs related to third-party vehicles or equipment.
- (b) *Hazardous Liquid Accident* means any of the following events:
 - (1) An event involving the release of the hazardous liquid or carbon dioxide transported resulting in any of the following:
 - (i) Explosion or fire not intentionally set by the operator
 - (ii) Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
 - (a) Not otherwise reportable under this section;
 - (b) Not one described in § 195.52(a)(4);
 - (c) Confined to company property or pipeline right-of-way; and
 - (d) Cleaned up promptly;
 - (iii) A death of any person or personal injury necessitating in-patient hospitalization;
 - (iv) Estimated property damage of \$10,000 or more in *Damage*;
 - (v) Involves a media inquiry to the operator regarding the incident;
 - (2) An event that involves an outage affecting more than 75 customers.
 - (3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

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- (c) *Gas Incident* means any of the following events:
- (1) An event that involves a release of gas from a pipeline, gas from an underground natural gas storage facility, liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:
 - (i) A death, or personal injury necessitating in-patient hospitalization;
 - (ii) Estimated property damage of \$10,000 or more in *Damage*;
 - (iii) Unintentional estimated gas loss of three million cubic feet or more;
 - (iv) Involves a media inquiry to the operator regarding the incident;
 - (2) An event that results in an emergency shutdown of an LNG facility or an underground natural gas storage facility. Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an incident.
 - (3) An event that involves an outage affecting more than 75 customers.
 - (4) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1), (2) or (3) of this definition.

2. Notification

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 *Gas Incident* or *Hazardous Liquid Accident* not more than one (1) hour after confirmed discovery by the operator of the *Gas Incident* or *Hazardous Liquid Accident*.