

STATEMENT OF SCOPE

Public Service Commission of Wisconsin
(PSC Docket 1-AC-255)

Rule No.: Chapter PSC 135

Relating to: GAS SAFETY

Rule Type: Permanent

1. Finding/nature of emergency (Emergency Rule only):

N/A

2. Detailed description of the objective of the proposed rule:

Since 1968, the state has incorporated and adopted updates to the federal pipeline safety code in Wis. Admin. Code ch. PSC 135. This rulemaking adopts updates to the federal pipeline safety code since the last revision to ch. PSC 135 took effect.

Adoption of the latest changes to the federal code will: (1) keep the state standards for gas safety up to date with national industry trends, (2) allow the commission to enforce these standards in Wisconsin, and (3) maintain the commission's compliance with its agreement with the U.S. Government to enforce these standards in exchange for reimbursement of program costs.

This rulemaking also provides a further opportunity to update ch. PSC 135 to reflect current technology and accepted industry safety practices.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

An existing agreement with the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, authorizes the commission to enforce federal natural gas pipeline safety requirements as set out in the Code of Federal Regulations, 49 CFR Parts 192, 193, and 199. As part of the agreement, the commission adopts the federal pipeline safety code in s. PSC 135.019.

Section PSC 135.019 currently adopts the federal code as it exists through October 1, 2017. Since that date, PHMSA updated the federal code with respect to plastic piping systems, onshore gas transmission pipelines, and underground storage facilities necessary to enhance pipeline safety by adopting innovative technologies and best practices.

Amendments to the federal code related to plastic piping systems enhance pipeline safety include: (1) increasing the design factor of polyethylene pipe; (2) increasing the maximum pressure and diameter for Polyamide-11 pipe and components; (3) allowing the use of Polyamide-12 pipe and components; (4) new standards for risers; (5) more stringent standards for plastic fittings and joints; (6) stronger mechanical fitting requirements; (7) the incorporation by reference of certain new or updated consensus standards for pipe, fittings, and other components; and (8) the qualifications for personnel joining and installing plastic pipe.

Amendments to the federal code related to onshore gas transmission pipelines include: (1) integrity management requirements, focused on the actions an operator must take to reconfirm the maximum allowable operating pressure of previously untested natural gas transmission pipelines and pipelines lacking certain material or operational records; (2) the periodic assessment of pipelines in populated areas not designated as "high consequence

areas;” (3) the reporting of exceedances of maximum allowable operating pressure; (4) the consideration of seismicity as a risk factor in integrity management; (5) safety features on in-line inspection launchers and receivers; (6) a 6-month grace period for 7-calendar-year integrity management reassessment intervals; and (7) related recordkeeping provisions.

Amendments to the federal code related to underground natural gas storage facilities include:

(1) incorporation by reference of American Petroleum Institute (API) Recommended Practices; (2) requirements to implement integrity management programs; (3) risk management for salt caverns; (4) narrowing the scope of reportable events and changes at facilities; (5) revising the definition of an "underground natural gas storage facility"; and (6) changing the name of the reporting portal.

Other safety related updates to ch. PSC 135, include: (1) renumbering sections of ch. PSC 135 to coincide with the federal code; (2) clarifying the required interval for utility leak detection surveys; (3) removing sections that refer to old technology no longer in use, including the Bessemer process and the grandfathered use of cast iron pipe; (4) prohibiting new low-pressure distribution systems; and (5) requiring gas operators to file construction standards prior to construction.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

This rule is authorized under ss. 196.02(1) and (3), 196.745, and 227.11, Stats.

Section 196.02(1) authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.02(3) grants the commission specific authority to promulgate rules. Section 196.745, authorizes the commission to issue orders and rules requiring the safe construction and operation of gas facilities in this state. Section 227.11 authorizes agencies to promulgate administrative rules.

Under an agreement with the PHMSA, Office of Pipeline Safety, the commission agrees to adopt those parts of the federal code that apply to pipeline safety.

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The commission estimates that fewer than 100 hours of employee time will be required to develop the rules.

6. List with description of all entities that may be affected by the proposed rule:

Every intrastate gas pipeline operator that operates gas transmission or distribution facilities in this state will be impacted by the rule.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

This rulemaking adopts updates to the federal code since the last revision to ch. PSC 135 took effect. Therefore, the changes to ch. PSC 135 proposed in this rulemaking will conform state regulation with respect to pipeline safety, to existing federal regulation.

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

This rule will result in no economic impact because pipeline operators are required, under federal law, to follow the federal regulations. The changes to ch. PSC 135 proposed in this rulemaking will authorize the commission to enforce these regulations in Wisconsin. Without this rulemaking, commission authority to administer the federal pipeline safety program in Wisconsin will likely revert to PHMSA, and federal funding for the commission's pipeline safety program will likely be cancelled.

Other changes to ch. PSC 135 proposed in this rulemaking will also result in no economic impact because these changes represent updates to conform the rule to current technology and safety practices already accepted by the industry.

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A handwritten signature in black ink that reads "Tiffany Powell Coker". The signature is written in a cursive style with a large initial 'T' and 'C'.

Department Head or Authorized Signature

5/11/2020

Date Submitted

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