

# STATEMENT OF SCOPE

## Public Service Commission of Wisconsin (PSC Docket 1-AC-258)

This revised statement of scope modifies, [SS 079-22](#), which was approved by the Governor on August 25, 2022 and published in the Register 802A1 on October 3, 2022.

**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 March 21, 2021. Since that date, PHMSA updated the federal code with respect to gas gathering pipelines, valve installation and rupture detection standards, and safety of gas transmission pipelines. It is likely that PHMSA will issue additional updates during analysis of the rulemaking.

Amendments to the federal code related to gas gathering pipelines to enhance pipeline safety include the following requirements: (1) extend reporting requirements to all gas gathering operators; and (2) apply a set of minimum safety requirements to certain gas gathering pipelines with large diameters and high operating pressures.

Amendments to the federal code related to valve installation and rupture detection to enhance pipeline safety include the following requirements: (1) install rupture-mitigation valves (i.e., remote-control or automatic shut-off valves) or alternative equivalent technologies on transmission and certain gathering pipelines; (2) minimum performance standards for those valves' operation to prevent or mitigate the public safety and environmental consequences of pipeline ruptures; (3) rupture-mitigation valve spacing, maintenance and inspection, and risk

analysis; (4) to contact 9-1-1 emergency call centers immediately upon notification of a potential rupture and conduct post-rupture investigations and reviews; and (5) to incorporate lessons learned from such investigations and reviews into operators' personnel training and qualifications programs, and in design, construction, testing, maintenance, operations, and emergency procedure manuals and specifications.

Amendments to the federal code related to safety of gas transmission pipelines include the following requirements: (1) clarify certain integrity management provisions; (2) codify a management of change process; (3) update and bolster gas transmission pipeline corrosion control requirements; (4) require operators to inspect pipelines following extreme weather events; (5) strengthen integrity management assessment requirements; (6) adjust the repair criteria for high-consequence areas; (7) create new repair criteria for non-high consequence areas; and (8) revise or create specific definitions related to the above amendments.

Other safety related updates to ch. PSC 135, include: (1) adoption of federal reporting requirements; (2) clarifying requirements for gathering pipelines; (3) leak survey requirements; (4) abandonment of services not used for ten years; (5) construction inspection requirements; (6) prohibiting new master meter operators absent a waiver; (7) renumbering sections of ch. PSC 135 to coincide with the federal code; and (8) updates to conform the rule to current technology and safety practices already accepted by the industry.

#### **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 200 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 gathering, 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):**

Pipeline operators are required, under federal law, to follow the federal regulations regardless of the Commission adopting the regulations. The changes to ch. PSC 135 proposed in this rulemaking to adopt federal code 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 would likely be cancelled.

Other changes to ch. PSC 135 proposed in this rulemaking may result in minimal economic impact. Some proposed changes will reduce operations and maintenance costs to intrastate pipeline operators while others may minimally

increase costs. It is estimated that these costs will result in an approximate offset of each other. This rule will not affect small businesses. Pipeline operators are not considered small businesses.

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