

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT)
RULEMAKING OF THE)
OKLAHOMA CORPORATION)
COMMISSION AMENDING)
OAC 165:20, GAS & HAZARDOUS)
LIQUID PIPELINE SAFETY)

CAUSE NO. RM 201800020

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CORPORATION COMMISSION
OF OKLAHOMA

PROPOSED RULES
December 20, 2018

SUBCHAPTER 3. PIPELINE ASSESSMENTS

165:20-3-1. Pipeline assessments

(a) **Application.** Each operator of a pipeline subject to Subchapters 5 and 7 shall pay a pipeline assessment to the Commission as set forth in the provisions of this Subchapter.

(b) **Calculation.** For purposes of this Subchapter, the pipeline assessment shall be determined as follows:

(1) For gas pipeline operators required to submit an annual report pursuant to 165:20-5-13(b) and 165:20-5-14(b). On the basis of the total number of miles of pipeline as reported on their annual report multiplied by the assessment rate of \$25.00 per mile of pipeline for the following fiscal years: year starting on July 1.

(A) ~~FY2012: \$25.00 per mile of pipeline.~~

(B) ~~FY2013 and thereafter: \$25.00 per mile of pipeline.~~

(2) For hazardous liquid pipeline operators required to submit an annual report pursuant to 165:20-7-6. On the basis of the total number of miles of pipeline as reported on their annual report multiplied by the assessment rate of \$75.00 per mile of pipeline for the following fiscal years: year starting on July 1.

(A) ~~FY2012: \$75.00 per mile of pipeline;~~

(B) ~~FY2013 and thereafter: \$75.00 per mile of pipeline.~~

(3) For master meter operators. The annual assessment shall be \$200.00.

(4) The minimum annual pipeline assessment owed by an operator is \$200.00.

(c) **Payment.**

(1) For purposes of payment of assessment, an assessable year shall be the period of time from the first day of July of any given calendar year to the 30th of June of the following year.

(2) All operators who must pay a pipeline assessment under the provisions of this Subchapter shall pay their pipeline assessment for any given assessable year on or before the 15th of August of each assessable year, ~~except that for FY 2012 the pipeline assessments are due:~~

(A) ~~Pipeline operators subject to Subchapter 5, on or before the 15th day of August 2012.~~

(B) ~~Pipeline operators subject to Subchapter 7, on or before the 15th day of October 2012.~~

(3) Operators who purchase or acquire pipeline systems subject to a pipeline assessment are responsible for payment of the assessment.

(4) All payments of assessments shall be deposited by the Commission in the "Corporation Commission Revolving Fund".

SUBCHAPTER 5. SAFETY REGULATIONS FOR GAS PIPELINES

PART 1. GENERAL PROVISIONS

165:20-5-1. Definitions [REVOKED]

~~The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:~~

~~"Incident" means any of the following events:~~

(A) ~~An event that involves a release of gas from a pipeline, and:~~

(i) ~~A death, or personal injury necessitating inpatient hospitalization; or~~

(ii) ~~Estimated property damage, including cost of gas lost, of the operator or other, or both, of five thousand dollars (\$5,000.00) or more.~~

(B) ~~An event that is significant in the judgement of the operator, even though it did not meet the criteria of (A) of this definition.~~

~~"Master meter system" means a pipeline system for distributing gas within, but not limited to, a definable area such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as rents.~~

~~"Pipeline" or "Pipeline system" means all parts of those physical facilities through which gas moves in transportation, including, but not limited to, pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.~~

165:20-5-3. Annual reports and incident reports; federal reporting requirements

The reporting requirements of 165:20-5-11, 165:20-5-12, 165:20-5-13, and 165:20-5-14 do not relieve the operator of his their federal reporting requirements as found in 49 C.F.R. §§ 191.5, 191.7, 191.9, 191.11, 191.13, 191.15 and 191.17.

165:20-5-4. Change of ownership- operator

Each operator, upon finalization of an agreement to purchase or sell a gas pipeline subject to the provisions of 49 C.F.R. Part 192, must within five (5) working days submit to the Pipeline Safety Department a written notification of this agreement.

PART 3. TELEPHONIC NOTICE AND REPORTING REQUIREMENTS

165:20-5-11. Telephonic notice of certain incidents

(a) At the earliest practicable moment, but no more than one (1) ~~to~~ 2 hours following discovery, each operator shall give notice in accordance with (b) ~~or~~ and (c) of this Section of each incident as defined in 165:20-5-1.

(b) Each notice required by (a) of this Section shall be made by telephone to the Pipeline Safety Department at 405-521-2258 or filing the damages online at the http://www.occeweb.com/AspxForms/TR_PS_Incident_Form.aspx and shall include the information as listed in (c) of this Section.

(c) The following information will be provided:

- (1) Names of operator and person making report and their telephone numbers.
- (2) The location of the incident.
- (3) The time of the incident.
- (4) The number of fatalities and personal injuries, if any.
- (5) All other significant facts ~~that are~~ known by the operator that are relevant to the cause of the incident or extent of the damage.

165:20-5-14. Transmission and gathering systems reporting requirements

(a) Incident report.

(1) Except as provided in (2) of this subsection, each operator of a transmission or a gathering pipeline system shall submit United States Department of Transportation PHMSA Form F 7100.2 as soon as practicable but not more than thirty (30) days after detection of an incident.

(2) When additional, relevant information is obtained after the incident report is submitted under (1) of this subsection, the operator shall make supplementary reports as deemed necessary by referencing the date and subject of the original report.

(b) Annual report.

(1) Each operator of a transmission or a gathering pipeline system, shall submit an annual report on United States Department of Transportation PHMSA Form F 7100.2-1. This report must be submitted each year, not later than March 15, for the preceding calendar year, ~~except that the report for 2010 reporting year the report must be submitted by June 15, 2011.~~

(2) Each operator will complete all sections of United States Department of Transportation PHMSA Form F 7100.2-1 regardless of its total mileage of pipeline.

(c) Distribution systems reporting transmission pipelines. Each operator, primarily engaged in gas distribution, who also operates gas transmission or gathering pipelines shall submit separate reports for each.

165:20-5-15. Telephonic notice of an evacuation of a building [REVOKED]

~~Each operator of a gas pipeline system located in a Class 3 or 4 location, upon discovery that a building has been evacuated as a result of gas leak, shall immediately notify the Oklahoma Corporation Commission, Pipeline Safety Department at (405) 521-2258.~~

PART 5. MINIMUM SAFETY STANDARDS FOR GAS

165:20-5-21. Adoption of federal safety regulations

The Commission adopts the provisions of 49 C.F.R. Part 192, as such exist on January 1, ~~2018~~ 2019, ~~and all those amendments and appendices adopted thereafter,~~ subject to the following ~~amendments~~:

(1) 49 C.F.R. § 192.1 is replaced by the following:

(A) This Part prescribes minimum safety requirements for intrastate pipeline facilities and the transportation of gas subject to the jurisdiction of the Commission.

(B) This Part shall not apply to:

(i) Interstate transmission facilities; and

(ii) Onshore gathering of gas through a pipeline that operates at less than 0 psig or through a pipeline that is not a regulated onshore gathering line as determined by 49 C.F.R. § 192.8.

(2) The definition of "Administrator" and "State" are deleted and replaced as follows:

(A) All references to the "Administrator" are replaced with the "Commission".

(B) All references to the "State" refer to the State of Oklahoma.

PART 7. PIPELINE CONSTRUCTION AND CONSUMER SAFETY

165:20-5-34. Restrictions on connections to consumers [REVOKED]

- (a) ~~Each operator shall have and maintain its system in such condition as will enable it to furnish safe and adequate gas service, subject only to emergency conditions beyond its control.~~
- (b) ~~House piping shall conform to requirements of the applicable city or town ordinances. In towns, villages, and suburban territory where there are no applicable regulations as to gas service, house piping, and venting, operators shall comply with the Standards for the Installation of Gas Appliances and Gas Piping, as set forth in the National Fire Protection Association's No. 54, dated 1969, and future amendments or supplements thereto. An operator may decline to serve a consumer or prospective consumer until he has complied with all applicable State and municipal regulations governing gas service and the rules of this Subchapter.~~
- (c) ~~No residential customer meter designed for above-ground use shall be buried or installed in any manner which would cause the surface of the shell of the meter to directly contact the ground. "Residential customer meter" means the meter that measures the transfer of gas from an operator to a residential customer.~~
- (d) ~~All gas supplied to a consumer shall be substantially free of impurities which may cause corrosion of mains, piping, and consumer's appliances, or form corrosive or harmful fumes when burned in a properly designed and adjusted burner.~~

PART 9. MANDATORY PARTICIPATION IN OKLAHOMA ONE CALL

165:20-5-41. Mandatory participation in Oklahoma One Call

- (a) The Commission adopts the provisions of the Oklahoma Underground Facilities Damage Prevention Act, Okla. Stat. Titl. 63, Section 142.1 through 142.11 as such exists on January 1, 2018 2019.
- (b) The Commission will enforce the provisions of Okla. Stat. Titl. Sections 142.1 through 142.11, as such exists on January 1, 2018 2019, against all intrastate operators subject to the provisions of 49 C.F.R. Part 192.

SUBCHAPTER 7. SAFETY REGULATIONS FOR HAZARDOUS LIQUIDS

165:20-7-1. Adoption of federal safety and reporting regulations

The Commission adopts the provisions of 49 C.F.R. Part 195, as such exist on January 1, 2018 2019, and ~~all those amendments and appendices adopted thereafter~~ subject to the following ~~amendments~~:

- (1) 49 C.F.R. § 195.0 is replaced by the following: "This Part prescribes safety standards and accident reporting requirements for pipeline facilities used in the intrastate transportation of hazardous liquids subject to the jurisdiction of the Commission."
- (2) 49 C.F.R. § 195.1(a) is replaced by the following: "Except as provided in paragraph (b) of 49 C.F.R. § 195.1(b), this Part applies to pipeline facilities and the transportation of hazardous liquids associated with those facilities used in the intrastate transportation of hazardous liquids subject to the jurisdiction of the Commission."
- (3) The definition of "Administrator" shall be deleted and all references to the "Administrator" are replaced with the "Commission".

(4) 49 C.F.R. § 195.52(b) is replaced by the following: "(b) Reports made under paragraph (a) of 49 C.F.R. § 195.52(a) are made by telephone to 405-521-2258 (Pipeline Safety Department in Oklahoma City, OK) or filing the damages online at the http://www.occeweb.com/AspxForms/TR_PS_Incident_Form.aspx and 800-424-8802 (in Washington, D.C. 202-462-2675), and must include the following information:

- (A) Name and address of the operator.
- (B) Name and telephone number of the reporter.
- (C) The location of the failure.
- (D) The time of the failure.
- (E) The fatalities and personal injuries, if any.
- (F) All other significant facts known by the operator that are relevant to the cause of the failure or extent of the damages."

(5) 49 C.F.R. § 195.54(a) is replaced by the following: "Each carrier that experiences an accident that is required to be reported under this subpart, as soon as practicable but not later than thirty (30) days after discovery of the accident, shall prepare and file an accident report on DOT Form 7000-1, or a facsimile, with the Pipeline Safety Department, Oklahoma Corporation Commission, in accordance with OAC 165:20-1-6 of this Chapter, and the Information Resources Manager, Office of Pipeline Safety, Department of Transportation, Washington, D.C. 20590."

(6) 49 C.F.R. § 195.54(b) is replaced by the following: "Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within thirty (30) days with the Pipeline Safety Department, Oklahoma Corporation Commission, in accordance with OAC 165:20-1-6 of this Chapter, and the Information Resources Manager, Office of Pipeline Safety, Department of Transportation, Washington, D.C. 20590."

165:20-7-3. Mandatory participation in Oklahoma one call

- (a) The Commission adopts the provisions of the Oklahoma Underground Facilities Damage Prevention Act, Okla. Stat. Titl. 63, Sections 142.1 through 142.11 as such exists on January 1, ~~2018~~ 2019.
- (b) The Commission will enforce the provisions of Okla. Stat. Titl. 63, Sections 142.1 through 142.11, as such exists on January 1, ~~2018~~ 2019, against all intrastate operators subject to the provisions of 49 C.F.R Part 195.

165:20-7-4. Change of ~~ownership~~ operator

Each operator, upon finalization of an agreement to purchase or sell a hazardous liquid pipeline subject to the provisions of 49 C.F.R. Part 195, must within five (5) working days submit to the Pipeline Safety Department a written notification of this agreement.

165:20-7-6. Annual report

- (a) Each operator of a hazardous liquid pipeline shall submit an annual report on United States Department of Transportation PHMSA Form F 7000-1.1 for each type of hazardous liquid facility operated at the end of the previous year. This report must be submitted each year, not later than June 15th for the preceding calendar year, ~~except that the report for 2010 reporting year the report must be submitted by August 15, 2011.~~

(b) Each operator shall complete all required sections of United States Department of Transportation PHMSA Form F 7000-1.1 regardless of its total mileage of pipeline in the state.

SUBCHAPTER 13. ENFORCEMENT

PART 1. GENERAL

165:20-13-1. Scope and fines

This Subchapter prescribes the procedures utilized by the Oklahoma Corporation Commission in carrying out its responsibilities regarding pipeline safety under 52 O.S. 1981, Section 5 and 52 O.S. Supp. Sections 47.1 through 47.8, 63 O.S. § 142.13 of the Oklahoma Underground Facilities Damage Prevention Act, 63 O.S. §§ 142.1 et seq. and is designed to utilize enforcement procedures already in place by hereby adopting the Commission's Rules of Practice, OAC 165:5, that are pertinent and necessary to carry out the enforcement of pipeline safety rules and regulations.

- (1) For each violation of a Commission rule in Subchapters 5 and 10, the Commission may issue an order pursuant to 17 O.S. Section 1 et seq. fining an operator up to the maximum amount provided by 17 O.S. Section 6.1.
- (2) For each violation of a Commission rule for hazardous liquid pipelines, the Commission may issue an order pursuant to 52 O.S. Section 47.1 et seq. fining an operator up to the maximum amount provided by 52 O.S. Section 47.6.

165:20-13-2. Service

- (a) Each notice of probable violation, warning letter, notice of hearing, order of the Commission, or other document required to be served under this Subchapter shall be served personally or by registered or certified mail to all respondents.
- (b) Service upon a person's duly authorized representative or agent shall ~~constitutes~~ constitute service upon that person.
- (c) Service by registered or certified mail is complete upon mailing. An official U.S. Postal Service receipt from the registered or certified mailing constitutes prima facie evidence of mailing.

PART 3. PROCEDURE

165:20-13-11. General enforcement authority and sanctions

- (a) This Subchapter describes the enforcement authority and sanctions exercised by the Oklahoma Corporation Commission Pipeline Safety Department for achieving and maintaining pipeline safety. It also prescribes the procedures governing the exercise of that authority and the imposition of those sanctions, all of which include and supplement the applicable Commission Rules of Practice, OAC 165:5.
- (b) A person who is the subject of action pursuant to this Subchapter may be represented by legal counsel at all stages of the proceeding.
- (c) If respondent does not file a response prior to the hearing date or does not enter an appearance at the hearing, a confession of the allegations may be rendered in accordance with OAC 165:5-19-1(c) (5), and ~~judgement~~ judgment may be rendered in accordance with OAC 165:5-19-1(f).

**SUBCHAPTER 15. REGULATIONS FOR GRANTS TO AID STATE
PIPELINE SAFETY PROGRAMS**

165:20-15-1. Regulations for grants to aid state pipeline safety programs

The Commission adopts the provisions of 49 C.F.R. Part 198, with all amendments and appendices thereto as such exist on January 1, ~~2018~~ 2019.

**SUBCHAPTER 17. OBLIGATIONS UNDER THE OKLAHOMA UNDERGROUND
FACILITIES DAMAGE PREVENTION ACT SUBJECT TO COMMISSION
ENFORCEMENT**

165:20-17-6. Positive Notification of Size and Material

In addition to the provisions of 63 O.S. § 142.6, each operator served with a notice in accordance with subsection A of 63 O.S. § 142.6, shall notify the excavator of the size and material of the underground facility.

165:20-17-7. Telephonic/Electronic Reporting of damages caused by excavation

In addition to the provisions of 63 O.S. § 142.9, each operator shall:

(1) Upon receiving notice of such damage, the operator shall within one (1) hour notify the Commission's Pipeline Safety Department of the damages.

(2) Each notice required by paragraph (a) of this section must be made to the Commission's Pipeline Safety Department by telephone to 405-521-2258 or filing the damages online at the <http://www.occeweb.com/AspxForms/PipeLineForm.aspx> and must include the following information:

(A) Name of the operator and person making the report and their telephone number;

(B) The location of the excavation damage;

(C) Locate request number;

(D) Time of excavation damage;

(E) Number of fatalities and personal injuries, if any;

(F) Name of excavator, excavator's personnel involved in the excavation damage, excavator address, and excavator telephone number; and

(G) All other significant facts known by the operator that is relevant to the cause of the excavation damages.

Note: If the operator chooses to notify the Commission's Pipeline Safety Department by telephonically reporting the damages, after normal work hours, 8:00 am till 4:30 pm CDT, the listed telephone number is transferred to voice mail with an on call person and telephone number provided.

165:20-17-8. Written Report of damages caused by excavation

(a) Each operator shall file a damage summary report at least semiannually with the Commission's Pipeline Safety Department. The report shall include information on each incident if facility damage resulting from excavation activity was discovered by the operator during that period. For each incident, at a minimum the following data, shall be included in the report:

(1) The type of operator;

- (2) The type of excavator;
- (3) The type of excavator equipment;
- (4) The location in which the damage occurred;
- (5) The type of facility that was damaged;
- (6) The date of the damage, day, month and year;
- (7) The type of locator, company or contractor; and
- (8) The primary cause of the damage.

(b) The damage summary report for the first six (6) months of the calendar year shall be due on or before August 1 of the same calendar year. The damage summary report for the last six (6) months of the calendar year shall be due on or before February 1 of the next calendar year. No semiannual report shall be due for the period if any portion of the period falls within the six (6) months immediately following the effective date of this regulation.

165:20-17-9. Filing complaint about failure to follow the Oklahoma Underground Facilities Damage Prevention Act

Anyone can file a complaint against an excavator or pipeline operator for failing to comply with any portion of the Oklahoma Underground Facilities Damage Prevention Act by calling the Commission's Pipeline Safety Department at 405-521-2258 or filing the complaint online at the <http://www.occeweb.com/AspxForms/PipeLineForm.aspx>. The complaint must include at a minimum the following information:

- (1) First Name;
- (2) Last Name;
- (3) E-mail address;
- (4) Contact Phone Number;
- (5) Alternate Phone Number;
- (6) Mailing address;
- (7) City;
- (8) State;
- (9) Zip Code;
- (10) Date of Complaint or excavation damage;
- (11) Name of Pipeline Company or Excavating Company;
- (12) Location of Complaint (Section, Township, Range, GPS Coordinates or Street Address).