

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Gas Pipeline Safety
Rulemaking**

Case No. GS-06-510

ORDER ADOPTING RULES

December 31, 2007

Appearances

Commissioners Susan Wefald, Kevin Cramer, and Tony Clark.

William Binek, Chief Counsel, as Hearing Officer

Preliminary Statement

On October 3, 2007, the North Dakota Public Service Commission (Commission) issued a formal Notice of Proposed Rulemaking and an Abbreviated Notice proposing to revise section 69-09-03 of the Administrative Code relating to the Commission's Gas Safety Program.

The Commission proposed to adopt by reference the 2006 federal Gas Pipeline Safety rule amendments. Generally, these proposed changes relate to certain integrity management standards for gas transmission lines, a consensus standard to distinguish onshore gathering lines from other gas pipelines and production operations, the establishment of safety rules for certain onshore gathering lines in rural areas, revisions to current rules for certain onshore gathering lines in non-rural areas; and the incorporation by reference all or parts of new editions of voluntary consensus technical standards to enable pipeline operators to utilize current technology, materials, and practices.

Public Hearing

A public hearing on the proposed rule changes was noticed for and held at 1:00 p.m. November 26, 2007. The hearing was held in the Commission Hearing Room, 12th floor, State Capitol, Bismarck, North Dakota.

The Abbreviated Notice was published once in all official county newspapers. The notices were also forwarded to the Legislative Council for publication at least 30 days in advance of the hearing.

The Commission allowed, after the conclusion of the rulemaking hearing, a comment period until December 6, 2007, during which data, views, or oral arguments concerning the proposed rulemaking could be received by the Commission and made a part of the rulemaking record to be considered by the Commission.

The only written comments filed and the only testimony received at the hearing were those of Commission staff. Staff testified that the proposed changes were intended to incorporate into state rules changes in federal rules that must also apply to the state program. These are:

1. **49 CFR Part 192 - Amendment No. 101** - Under federal regulations governing integrity management of gas transmission lines, if an operator uses direct assessment to evaluate corrosion risks, it must carry out the direct assessment according to existing federal corrosion standards. The new federal rule broadens the application of federal assessment requirements by prescribing similar standards operators must meet when they use direct assessment on certain other onshore gas, hazardous liquid, and carbon dioxide pipelines. We agree that broadening the application of direct assessment standards will enhance public confidence in the use of direct assessment to assure pipeline safety, and we agree.
2. **49 CFR Part 192 - Amendment No. 102** – This rule adopts a consensus standard to distinguish onshore gathering lines from other gas pipelines and production operations. In addition, it establishes safety rules for certain onshore gathering lines in rural areas and revises current rules for certain onshore gathering lines in non-rural areas. Operators will now use a new risk-based approach to determine which onshore gathering lines are subject to federal gas pipeline safety rules and which of these rules the lines must meet. We agree that this action will reduce disagreements over classifications of onshore gathering lines, increase public confidence in the safety of onshore gathering lines, and provide safety rules consistent with the risks of onshore gathering lines.
3. **49 CFR Part 192 - Amendment No. 103** – This rule updates the pipeline safety regulations to incorporate by reference all or parts of new editions of voluntary consensus technical standards. State rules should reflect these updates because they enable pipeline operators to utilize current technology, materials, and practices.

Order

The Commission orders:

1. The proposed changes to Section 69-09-03 of the North Dakota Administrative Code, as attached to and made a part of this order, are adopted contingent upon approval by the Attorney General;

2. The proposed rules, as attached to and made a part of this order, shall be submitted to the Attorney General for an opinion as to legality.

PUBLIC SERVICE COMMISSION

**Tony Clark
Commissioner**

**Susan Wefald
President**

**Kevin Cramer
Commissioner**