**Strawman Draft Proposed Rule**

LSA Document #22-\_\_\_\_

IURC RM #22-02

DIGEST

Amends 170 IAC 5-3-0.6, 170 IAC 5-3-1, 170 IAC 5-3-2, and 170 IAC 5-3-4.1, to incorporate new federal regulations, including regarding gathering lines, through June 30, 2023, to add requirements for operators’ qualification training programs, to require the maintenance of certain records, and to require written responses to notices of areas of concern.

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

**170 IAC 5-3-0.6; 170 IAC 5-3-1; 170 IAC 5-3-2; 170 IAC 5-3-4.1.**

SECTION 1. 170 IAC 5-3-0.5 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 5-3-0.6 Incorporation of United States Department of Transportation pipeline safety regulations**

**Authority: IC 8-1-1-3; IC 8-1-22.5-4**

**Affected: IC 8-1-2; IC 8-1-22.5**

Sec. 0.6. The commission hereby incorporates in this rule the pipeline safety regulations of the United States Department of Transportation contained in 49 CFR Parts 40, 191, 192, 193, 194, 195, 198, and 199, as of ~~July 1, 2021~~**June 30, 2023**, as revised by section 2 of this rule. *(Indiana Utility Regulatory Commission; 170 IAC 5-3-0.6; filed May 27, 2016, 11:39 a.m.: 20160622-IR-170150424FRA; filed Sep 20, 2018, 3:04 p.m.: 20181017-IR-170170448FRA)*

SECTION 2. 170 IAC 5-3-1 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 5-3-1 Federal and other standards; compliance; general provisions**

**Authority: IC 8-1-1-3; IC 8-1-22.5-4**

**Affected: IC 8-1-2; IC 8-1-22.5**

Sec. 1. (a) An operator shall do the following:

(1) Comply with the gas pipeline safety regulations incorporated in section 0.6 of this rule, as revised by this rule.

(2) Construct, operate, and maintain its facilities in accordance with the gas pipeline safety regulations incorporated in section 0.6 of this rule, as revised by this rule.

(3) Comply with all other applicable:

(A) codes;

(B) standards; or

(C) regulations;

including those contained in this rule.

(4) Be governed, after due notice, by all:

(A) deletions;

(B) additions;

(C) revisions; or

(D) amendments;

thereof.

(5) Document all:

(A) plan reviews and updates;

(B) surveys;

(C) inspections; and

(D) repairs made.

(b) Records required to document compliance with this rule shall be preserved in accordance with federal law, ~~or~~ a minimum of five (5) years, **or until the next applicable inspection,** whichever is longer. Records shall be made available within the state of Indiana, at the office or offices of the operator located in the territory served by the office, or shall be open for remote examination by the commission or its representatives upon request. The provisions of this subsection shall not be construed so as to lessen ~~or increase~~ the period of maintenance of records as specifically provided by law.

**(c) Notwithstanding subsection (b), records of pressure tests and MAOP reconfirmations shall be maintained for as long as the pipeline to which the records relate remains in service.** *(Indiana Utility Regulatory Commission; No. 32885: Minimum Safety Standards for Transportation of Gas and Related Pipeline Facilities Rule 1; filed May 12, 1972, 10:30 a.m.: Rules and Regs. 1973, p. 537; filed May 7, 1982, 2:00 p.m.: 5 IR 1175; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Feb 9, 2010, 9:24 a.m.: 20100310-IR-170090190FRA; filed May 27, 2016, 11:39 a.m.: 20160622-IR-170150424FRA)*

SECTION 3. 170 IAC 5-3-2 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 5-3-2 Federal regulations; revision**

**Authority: IC 8-1-1-3; IC 8-1-22.5-4**

**Affected: IC 8-1-2; IC 8-1-22.5**

Sec. 2. (a) Indiana specific revisions to certain federal regulations incorporated in section 0.6 of this rule are as set forth in this section.

(b) 49 CFR 192.201(c) (Required capacity of pressure relieving and limiting stations) is revised to read as follows:

"(c) Relief valves or automatic shutoff devices must be installed at or near each regulator station in a low-pressure distribution system, with a capacity to limit the maximum pressure in the main to a pressure that will not exceed the safe operating pressure for any connected and properly adjusted gas utilization equipment.".

(c) 49 CFR 192.201 is augmented to include an additional paragraph (a)(2)(iv) to read as follows:

"(a)(2)(iv) At a minimum have a device installed that would notify the operator or the public of a malfunction.".

~~(d) 49 CFR 192.605 and 49 CFR 195.402 (Procedural manual for operations, maintenance, and emergencies) is augmented to include an additional paragraph (f) as follows:~~

~~"(f) the written manual required by paragraph (a) of this section, referred to as the plan in this subsection, shall ensure the safe operation of the operator's pipeline facilities. The plan shall include, by sections, the emergency, operations, and maintenance procedures for all the pipeline facilities and shall include procedures for handling abnormal operations. This plan, when filed, becomes a regulation for the particular operator who filed it. In addition, an operator shall:~~

~~(1) submit a copy of the plan to the division;~~

~~(2) keep records necessary to administer the plan effectively;~~

~~(3) revise the plan as:~~

~~(A) experience dictates; and~~

~~(B) exposure of the facilities and changes in operating conditions might warrant; and~~

~~(4) submit to the division all subsequent revisions of the plan not later than twenty (20) days after the effective date of the changes. Minor revisions may be made in a cover letter.".~~

~~(e)~~**(d)** 49 CFR 192.357 (Customer Meters and Regulators: Installation) is augmented to include an additional paragraph (e) **to read** as follows:

"(e) An operator may not initiate or reinstate gas service without first ascertaining that:

(1) the meter and regulator are:

(A) properly sized and installed for their intended use;

(B) pressure tight at the operating pressure; and

(C) protected from reasonably anticipated outside forces, including, but not limited to, reasonably anticipated:

(i) vehicular impact; and

(ii) natural forces, including, but not limited to:

(AA) ice;

(BB) water runoff; and

(CC) snow; and

(2) for residential customers, the piping from the meter to the customer's appliance valves is pressure tight at the operating pressure.".

~~(f)~~**(e)** 49 CFR 192.365(b) (Service Lines; Location of Valves) is revised to read as follows:

"(b) Each service line must have a shutoff valve in a readily accessible location that is outside of the building. The required shutoff valve may include, but is not limited to:

(1) outside meter valves; or

(2) curb valves.".

~~(g)~~**(f)** 49 CFR 192.373(a) (Service Lines: Cast Iron and Ductile Iron) is revised to read as follows:

"(a) Cast or ductile iron pipe shall not be installed for service lines.".

~~(h)~~**(g)** 49 CFR 192.375(a) (Installation of Plastic Pipe) is revised to read as follows:

"(a) This provision takes effect after July 1, 2021. Each plastic service line outside a building must be installed below ground level, except that it may be installed in accordance with § 192.321(g). A flexible riser must be designed to withstand damage from outside or a casing must also be installed to protect the flexible riser from lawn mowers, weed eaters, hedge trimmers, and other possible sources of external damage.".

**(h) 49 CFR 192.467 (External corrosion control: Electrical isolation) is augmented to include an additional paragraph (g) to read as follows:**

**"(g) For the purposes of this section, “electrical isolation” and “electrically isolated” means no electrical current between a buried or submerged pipeline and an underground metallic structure, including current traveling by a direct metallic contact (short) or through an electrolytic path (electrolytic short).”**

(i) 49 CFR 192.503 (Test Requirements - General). In addition to the language contained in 49 CFR 192.503 paragraphs (b), (c), and (d), paragraphs (a) and (e) are revised to read as follows:

"(a) No person may operate a new segment of pipeline, or return to service a segment of pipeline that has been relocated, replaced, or has been abandoned previously, until:

(1) it has been tested in accordance with this subpart and 49 CFR 192.619 to substantiate the maximum allowable operating pressure; and

(2) each potentially hazardous leak has been located and eliminated.

...

(e) No testing, by a medium other than natural gas under this subpart, may be done against a valve on a jurisdictional part of the system that is connected by the valve to a source of gas, unless a positive suitable means has been provided to prevent the leakage or admission of the testing medium into a jurisdictional part of the system. When performing a pressure test, the operator shall use a calibrated tool or chart.".

(j) 49 CFR 192.509(b) (Test Requirements for Pipelines to Operate at or below 100 psig) is revised to read as follows:

"(b) Each main that is to be operated at less than one (1) psig must be tested to at least ten (10) psig, and each main to be operated at or above one (1) psig must be tested to one hundred fifty percent (150%) of the maximum operating pressure or at least ninety (90) psig, whichever is greater.

(c) Distribution pipelines tested to comply with this rule must be tested to meet at least the durations specified in the Gas Piping Technology Committee guidelines under section 192.509 and 192.513, for the applicable pipeline material, size, and lengths.".

(k) 49 CFR 192.511 (Test Requirements for Service Lines). In addition to the language contained in 49 CFR 192.511 paragraph (a), paragraphs (b) and (c) are revised to read as follows:

"(b) Each segment of a service line (other than plastic) stressed under twenty percent (20%) SMYS must be tested at one hundred fifty percent (150%) of the maximum operating pressure or at least to ninety (90) psig, whichever is greater. The test procedure used must ensure discovery of all potentially hazardous leaks in the segment being tested.

(c) Each segment of a service line (other than plastic) stressed to twenty percent (20%) or more of SMYS must be tested in accordance with Section 192.505 or 192.507, whichever is applicable, of this subpart.".

(l) 49 CFR 192.553(c) (Subpart K - Uprating; General Requirements) is revised to read as follows:

"(c) Written plan. Each operator who uprates a segment of pipeline shall establish a written procedure that will ensure that each applicable requirement of this subpart is complied with. An operator shall submit a copy of its written uprate plan to the division at least thirty (30) days before work commences under the plan, and submit to the division all subsequent revisions of the plan prior to performing work under those provisions. The operator shall submit to the Division a cover letter summarizing the revisions.".

(m) 49 CFR 192.553 (Subpart K - Uprating; General Requirements) is augmented to include an additional paragraph (e) **to read** as follows:

"(e) Service regulators supplying gas from transmission lines or distribution mains that are being uprated under this subpart shall meet the requirements of Section 192.197.".

(n) 49 CFR 192.557(b)(5) and (c) (Uprating: Steel Pipelines to a Pressure That Will Produce a Hoop Stress less than 30 Percent of SMYS; Plastic, Cast Iron and Ductile Iron Pipelines) are revised to read as follows:

"(b)(5) Isolate by physical separation all mains between the segment of pipeline in which the pressure is to be increased from an adjacent segment that will continue to be operated at the lower pressure, except the mains that are required to supply through a pressure regulator (with approved overpressure protection designed in accordance with Section 192.195), the adjacent segment that will continue to be operated at the lower pressure; and

(c) After complying with paragraph (b) of this section, the increase in maximum allowable operating pressure must be made in increments that are equal to 10 p.s.i. (69 kPa) gage or 25 percent of the total pressure increase, whichever produces the fewer number of increments. The highest pressure at which the pipeline is surveyed is the newly established MAOP. Whenever the requirements of paragraph (b)(6) of this section apply, there must be at least two approximately equal incremental increases.".

**(o) 49 CFR 192.605 (Procedural manual for operations, maintenance, and emergencies) is augmented to include an additional paragraph (f) to read as follows:**

**"the written manual required by paragraph (a) of this section, referred to as the plan in this subsection, shall ensure the safe operation of the operator's pipeline facilities. The plan shall include, by sections, the emergency, operations, and maintenance procedures for all the pipeline facilities and shall include procedures for handling abnormal operations. This plan, when submitted, becomes a regulation for the particular operator who filed it. In addition, an operator shall:**

**(1) submit a copy of the plan to the division;**

**(2) keep records necessary to administer the plan effectively;**

**(3) revise the plan as:**

**(A) experience dictates; and**

**(B) exposure of the facilities and changes in operating conditions might warrant; and**

**(4) submit to the division all subsequent revisions of the plan not later than twenty (20) days after the effective date of the changes. Minor revisions may be made in a cover letter.".**

~~(o)~~**(p)** 49 CFR 192.615 (Emergency Plans) is augmented to include an additional paragraph (d) ~~reading~~**to read** as follows:

"(d) Each operator shall publish a listing in the current telephone directory of each community that it serves or in a conspicuous location on its publicly available website whereby a responsible employee or agent of the operator may be reached on a twenty-four (24) hour basis.".

**(q) 49 CFR 192.616 (Public Awareness) is augmented to include an additional paragraph (i) to read as follows:**

**“(i) the operator’s public awareness program shall include, at a minimum, a plan to directly contact appropriate government organizations and emergency responders at least every four years in addition to invitations to group public awareness meetings and general outreach.”.**

~~(p)~~**(r)** 49 CFR 192.723 (Distribution Systems: Leakage Surveys and Procedures) is revised to read as follows:

"(a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.

(b) A leak survey using gas detection equipment shall be conducted in:

(1) business districts;

(2) areas of high occupancy buildings as identified in the operator's operations and maintenance procedures, including, but not limited to:

(A) schools;

(B) churches;

(C) hospitals;

(D) apartment buildings;

(E) commercial buildings, including commercial box-style warehouse stores;

(F) strip malls;

(G) day care centers;

(H) nursing homes;

(I) assisted living centers; and

(J) identified sites in the operator's plan;

(3) built-up residential areas where continuous pavement exists; and

(4) other areas as the commission may direct;

once each calendar year at intervals not exceeding fifteen (15) months. The surveys in business districts and areas of high occupancy buildings, listed in subdivisions (1) and (2), shall be made at least to the meter outlet. Tests shall include tests of the atmosphere in utility manholes, at cracks in the pavement and sidewalks and other locations providing an opportunity for finding gas leakage.

(c) Leakage surveys of the distribution system outside of the areas as listed in paragraph (b) must be made as frequently as necessary but at least once every five (5) years at intervals not to exceed sixty-three (63) months. A vegetation type survey shall not be used as a single means of leakage control.

(d) Each operator shall establish and execute a plan by which it will periodically survey each customer-owned service line for leakage once every five (5) calendar years at intervals not to exceed sixty-three (63) months. For purposes of this section, the term "customer-owned service" shall mean buried metallic gas carrying piping that is between the outlet of the meter and the entry of the building wall of a residential dwelling. The term does not include the following:

(1) Farm taps.

(2) Services directly off mains that have an operating pressure of greater than sixty (60) psig.

(3) Diversions to structures other than the residential dwelling located on the premises.

(4) Services with meter settings adjacent to the structure being served.

(e) All leaks reported, regardless of the origin of the reports, shall be recorded on suitable report forms. These report forms must provide space for all pertinent information. Each leak reported shall be accounted for, and actions taken in response to leaks shall be documented and filed in a systematic manner.

(1) All leaks reported shall be investigated promptly and classified in accordance with procedures outlined in the operator's operations and maintenance plan. The procedures shall include acceptable response times and shall ensure that gas leakage that is hazardous to life or property shall receive immediate attention for repairs.

(2) Leak indications where repairs are not completed shall be rechecked on subsequent surveys, depending on the operator's classification and in accordance with the operator's procedures.

(f) An operator shall document surveys, inspections, and repairs made. These records, along with all other routine or unusual inspections and repairs, shall be kept in the file of the operating company.".

~~(q)~~**(s)** 49 CFR 192.740(a) (Pressure regulating, limiting, and overpressure protection - Individual service lines directly connected to production, gathering, or transmission pipelines) is revised to read as follows:

"(a) This section applies, except as provided in paragraph (c) of this section, to any service line directly connected to a production, gathering, or transmission pipeline that serves three (3) or more customers.".

**(t) 49 CFR 192.805(h) (Qualification Program) is revised to read as follows:**

**"(h) Provide training to individuals performing covered tasks to ensure that the individuals have the knowledge and skills needed to perform the tasks, which is the operator qualification training. An operator shall document and carry out training programs that include, at a minimum:**

**(1) Training for unqualified employees that are seeking to become qualified to perform covered tasks.**

**(2) A reoccurring training cycle not to exceed three years for training that refreshes the knowledge and skills of individuals with experience who will continue to perform covered tasks.**

**(3) Training for qualified employees regarding any significant change in the procedures for performing those covered tasks.**

**(4) Training for qualified employees regarding:**

**(A) different types of equipment; and**

**(B) equipment variations or differences.**

**(5) Additional training for individuals who fail initial qualification or qualified individuals who fail requalification in their areas of deficiency prior to reevaluation.**

**The training shall ensure the individuals performing covered tasks have the necessary knowledge and skills to perform these tasks in a manner that ensures the safe operation of pipeline facilities; and”.**

~~(r)~~**(u)** 49 CFR 192.1003 (What do the regulations in this subpart cover?) is revised to read as follows:

"(a) General. Unless exempted in paragraph (b) of this section this subpart prescribes minimum requirements for an IM program for any gas distribution pipeline covered under this part, including liquefied petroleum gas systems. A gas distribution operator, other than a master meter operator or a small LPG operator, must follow the requirements in §§ 192.1005 through 192.1013 of this subpart. A master meter operator or small LPG operator of a gas distribution pipeline must follow the requirements in § 192.1015 of this subpart.".

**(v) 49 CFR 195.402 (Procedural manual for operations, maintenance, and emergencies) is augmented to include an additional paragraph (g) to read as follows:**

**"(g) the written manual required by paragraph (a) of this section, referred to as the plan in this subsection, shall ensure the safe operation of the operator's pipeline facilities. The plan shall include, by sections, the emergency, operations, and maintenance procedures for all the pipeline facilities and shall include procedures for handling abnormal operations. This plan, when filed, becomes a regulation for the particular operator who filed it. In addition, an operator shall:**

**(1) submit a copy of the plan to the division;**

**(2) keep records necessary to administer the plan effectively;**

**(3) revise the plan as:**

**(A) experience dictates; and**

**(B) exposure of the facilities and changes in operating conditions might warrant; and**

**(4) submit to the division all subsequent revisions of the plan not later than twenty (20) days after the effective date of the changes. Minor revisions may be made in a cover letter.".**

**(w) 49 CFR 195.440 (Public Awareness) is augmented to include an additional paragraph (i) to read as follows:**

**“(i) the operator’s public awareness program shall include, at a minimum, a plan to directly contact appropriate government organizations and emergency responders at least every four years in addition to invitations to group public awareness meetings and general outreach.”.**

**(x) 49 CFR 195.505(h) (Qualification Program) is revised to read as follows:**

**"(h) Provide training to individuals performing covered tasks to ensure that the individuals have the knowledge and skills needed to perform the tasks, which is the operator qualification training. An operator shall document and carry out training programs that include, at a minimum:**

**(1) Training for unqualified employees that are seeking to become qualified to perform covered tasks.**

**(2) A reoccurring training cycle not to exceed three years for training that refreshes the knowledge and skills of individuals with experience who will continue to perform covered tasks.**

**(3) Training for qualified employees regarding any significant change in the procedures for performing those covered tasks.**

**(4) Training for qualified employees regarding:**

**(A) different types of equipment; and**

**(B) equipment variations or differences.**

**(5) Additional training for individuals who fail initial qualification or qualified individuals who fail requalification in their areas of deficiency prior to reevaluation.**

**The training shall ensure the individuals performing covered tasks have the necessary knowledge and skills to perform these tasks in a manner that ensures the safe operation of pipeline facilities; and”.**

**(y) 49 CFR 195.575 (Which facilities must I electrically isolate?) is augmented to include an additional paragraph (f) to read as follows:**

**"(f) For the purposes of this section, “electrical isolation” and “electrically isolated” means no electrical current between a buried or submerged pipeline and an underground metallic structure, including current traveling by a direct metallic contact (short) or through an electrolytic path (electrolytic short).”**

*(Indiana Utility Regulatory Commission; No. 32885: Minimum Safety Standards for Transportation of Gas and Related Pipeline Facilities Rule 2; filed May 12, 1972, 10:30 a.m.: Rules and Regs. 1973, p. 537; filed May 7, 1982, 2:00 p.m.: 5 IR 1176; readopted filed Jul 11, 2001, 4:30 p.m.: 24 IR 4233; readopted filed Apr 24, 2007, 8:21 a.m.: 20070509-IR-170070147RFA; filed Feb 9, 2010, 9:24 a.m.: 20100310-IR-170090190FRA; filed May 27, 2016, 11:39 a.m.: 20160622-IR-170150424FRA)*

SECTION 4. 170 IAC 5-3-4.1 IS ADDED TO READ AS FOLLOWS:

**170 IAC 5-3-4.1 Enforcement of violations**

**Authority: IC 8-1-1-3; IC 8-1-22.5-4**

**Affected: IC 8-1-2; IC 8-1-22.5-7**

Sec. 4.1. (a) If the division identifies a possible violation of this rule, the division shall provide a written notice of probable violation to the operator and allow the operator an opportunity to respond.

(b) An operator that receives a written notice of probable violation from the division shall respond within the time specified in the written notice. The failure of the operator to respond to the written notice is an additional violation of this rule.

**(c) An operator that receives a written notice of an area of concern from the division shall respond with a proposed or completed resolution in the time specified in the written notice. The failure of the operator to respond to the written notice and the failure to sufficiently address the area of concern is an additional violation of this rule.**

~~(c)~~**(d)** Violations of this rule may be enforced by the division under IC 8-1-22.5 by referring the violations to the commission for investigation and possible civil penalty under IC 8-1-22.5-7, or by filing a petition with the commission requesting a commission determination of the violation and penalty.

~~(d)~~**(e)** When the division and an operator agree in writing to a set of compliance actions, a violation of the agreement is in and of itself a violation of this rule.

~~(e)~~**(f)** An operator shall not prohibit its employees or contractors from providing information to the division related to the safe operation of the operator's system. *(Indiana Utility Regulatory Commission; 170 IAC 5-3-4.1)*

SECTION 5. SECTIONS 1 through 4 of this document take effect July 3, 2023.