

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DRM 11-077

ORDER OF NOTICE

On September 5, 2012, the Commission voted pursuant to RSA 541-A to initiate a rulemaking for N. H. Code Admin. Rules PART Puc 500, Rules for Gas Service. The Commission's Initial Proposal represents a readoption of the existing Puc 500 rules with amendments.

The proposed revisions to Puc 500 are intended to clarify and standardize certain safety-related rules applicable to gas utilities, as well as liquid propane (LP) and liquefied natural gas (LNG) operators in the State. Since the rules were last revised in January 2005, flammable gas originating in-state from landfills is now being transported through pipelines. The revised rules are intended to subject such pipelines to certain safety-related regulatory requirements in a manner consistent with those applied to LP operators, where the Commission does not apply metering, financial reporting or consumer protection rules. The rule changes are intended to increase the level of information and protection provided to both customers and gas utilities and operators and to ensure, as far as is possible, the equal application of these rules by all gas utilities and operators.

The revisions further clarify and update definitions of incidents and accidents, describe leak classifications so that uniform terminology is used among all utilities, and add provisions for identification of certain above ground facilities to aid contractors, inspectors and emergency response personnel. Construction, operation and maintenance rules are clarified, as well, with respect to odorization requirements, welding qualification, clearance requirements, and integrity

management considerations, and language is strengthened in certain provisions to enhance safety requirements.

All proposed amendments are based on field inspections that have occurred since 2005; review of regional and national pipeline incidents and explosions to assess applicability, with an emphasis on prevention; review of national best practices regarding pipeline safety; as well as federal alert notices, advisory bulletins, rulemakings and enforcement actions.

Upon approval, the proposed amended rule will replace the current version of Puc 500.

A rulemaking notice form (Notice), as required by RSA 541-A:6, was filed with the Office of Legislative Services on September 21, 2012. The Notice sets forth a date for a public hearing to be held at the Commission and a deadline for submission of written comments. That notice is appended hereto.

A copy of the Rulemaking Notice will be sent to all regulated utilities, as well as LP, LNG and landfill gas operators, and to those parties previously requesting notice of rulemakings pertaining generally to utility service and customer relations. Pursuant to RSA 541-A:6, III, notice will also be provided by public notice advertisement in a publication of daily statewide circulation.

The readoption with amendment Initial Proposal may be viewed on the Commission website, <http://www.puc.nh.gov/Regulatory/Docketbk/2011/11-077.html>, or copies may be obtained from the Commission as set forth in the Notice.

Based upon the foregoing, it is hereby

ORDERED, that a Public Hearing, pursuant to 541-A:11, be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 19, 2012 at 1:30 p.m., and that the deadline for submission of materials in writing or via e-mail shall be October 26, 2012, as set forth in the Notice; and it is

FURTHER ORDERED, that pursuant to RSA 541-A:6, III, the Commission shall undertake a public notice advertisement by publishing a copy of this Order together with the Notice no later than October 5, 2012, in a newspaper with a daily statewide circulation, publication to be documented by affidavit filed with the Commission on or before October 19, 2012.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of September, 2012.

A handwritten signature in blue ink, appearing to read "Debra A. Howland", is written over a horizontal line.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 South Fruit Street, Suite 10, Concord, New Hampshire 03301; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

APPENDIX II-C

RULEMAKING NOTICE FORM

Notice Number _____

Rule Number Puc 500

<p>1. Agency Name & Address:</p> <p>Public Utilities Commission 21 South Fruit Street Suite 10 Concord, NH 03301</p>	<p>2. RSA Authority: <u>RSA 365:8, V, VII & XII</u></p> <p>3. Federal Authority: _____</p> <p>4. Type of Action:</p> <p>Adoption _____</p> <p>Amendment _____</p> <p>Repeal _____</p> <p>Readoption _____</p> <p>Readoption w/amendment <u>X</u></p>
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5. Short Title **Puc 500 – RULES FOR GAS SERVICE**

6. (a) Summary of what the rule says and the effect of the rule on those regulated:

Puc 500 applies to gas utilities and operators in the State and governs gas service, gas quality, meter accuracy and testing, equipment and facilities, record retention, reporting and accounting, safety, accident and leak reporting, utility advertising, enforcement procedures and applicable forms.

Since gas pipelines have a considerable safety hazard associated with them the rules tend to focus on financial reporting, gas procurement and supply reporting, and customer metering and safety standards.

The proposed revisions to Puc 500 are intended to clarify and standardize certain safety-related rules applicable to gas utilities, as well as liquid propane (LP) and liquefied natural gas (LNG) operators in the State. Since the last rules were enacted in January 2005, flammable gas originating in state from landfills is now being transported through pipelines. The revised rules are intended to subject such pipelines to certain safety-related regulatory requirements in a manner consistent with those applied to LP operators, where the PUC doesn't apply metering, financial reporting or consumer protection rules. The rule changes are intended to increase the level of information and protection provided to both customers and gas utilities and operators and to ensure, as far as is possible, the equal application of these rules by all gas utilities and operators.

There is one amendment regarding customer bill adjustments and three amendments updating and making gas accounting and reporting consistent with parallel rules used among other sectors, such as the electric industry.

The proposed amendments clarify and update definitions of incidents and accidents, describe leak classifications so that uniform terminology is used among all utilities, and add provisions for identification of certain above ground facilities to aid contractors, inspectors and emergency response personnel. Construction, operation and maintenance rules are clarified, with respect to odorization requirements, welding qualification, clearance requirements, and integrity management considerations, and language is strengthened in certain provisions to enhance safety requirements.

All updates are based on field inspections that have occurred since 2005, review of regional and national pipeline incidents and explosions to assess applicability, with an emphasis on prevention, reviewing national best practices regarding pipeline safety as well as federal alert notices, advisory bulletins, rulemakings and enforcement actions.

6. (b) Brief description of the groups affected:

The Puc 500 rules generally apply to any public utility providing gas service to the public in the state of New Hampshire and their customers. Puc 511 and 512 apply to LP and LNG and landfill operators in the state.

6. (c) Specific section or sections of state statute or federal statute or regulation which the rule is intended to implement:

Rule(s)	State Statute (RSA) and Federal Statute/Regulation
Puc 501.01-501.02	RSA 362:4-b; 365:8, XII; 40 USC 60101 et seq.
Puc 502	RSA 365:8, XII
Puc 503.01	RSA 365:8, V, XII; 378:1
Puc 503.02 - 503.04	RSA 365:8, V, XII; 370:1-5
Puc 504.01 - 504.07	RSA 365:8, V, VII, XII; 374-4; 374:54; 49 CFR Parts 191 and 192
Puc 505.01 - 505.07	RSA 365:8, XII; 370:1-11
Puc 506.01 - 506.03	RSA 365:8, XII; 49 CFR. Parts 191, 192, 193, 198 and 199, 40 USC 5121, 60102, 60103, 60104, 60117, 60118 & 60126; 49 CFR 192.615
Puc 507.01 - 507.09	RSA 365:8, V, XII; 374:8, 13; 374:15; 369:7; 18 CFR Part 201
Puc 508.01 - 508.05	RSA 365:8, V, XII; 370:1-5; 374:48-58
Puc 509.01 - 509.22	RSA 365:8, V, XII; 369:3; 370:1-5; 374:5; 15 USC §717 et seq.
Puc 510.01 - 510.06	RSA 365:8, V, XII; 378
Puc 511.01 - 511.10	RSA 362:4-b; 365:8, XII; 370:2; 374:7-a; 49 USC. § 60101
Puc 512.01 - 512.17	RSA 91-A:5; 365:8, V, XII; 370:2; 374:4; 49 CFR Parts 191 and 192; 49 CFR Part 191.9; 49 CFR Part 192; 49 CFR Part 192.605
Puc 513.01 - 513.10	RSA 362:4-b; 365:8, XII; 370:2; 374:7-a; 49 USC. § 60101

7. Contact person for copies and questions including requests to accommodate persons with disabilities:

Name: **Lynn Fabrizio, Esq.**

Title: **Staff Attorney**

Address: **NH Public Utilities Commission
21 South Fruit Street
Suite 10
Concord, NH 03301**

Phone #: **603-271-2431**

Fax#: **603-271-4033**

E-mail: **lynn.fabrizio@puc.nh.gov**

TTY/TDD Access: Relay NH 1-800-735-
2964 or dial 711 (in NH)

8. Deadline for submission of materials in writing or, if practicable for the agency, in the electronic format specified: **October 26, 2012**

☒ Fax

☒ E-mail

☒ Other format (specify): diskette

9. Public hearing scheduled for:

Date and Time: **October 19, 2012 at 1:30 p.m.**

Place: **Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301**

10. Fiscal Impact Statement (Prepared by Legislative Budget Assistant)

FIS # **FIS 12:126** dated **September 19, 2012**

11. Statement Relative to Part I, Article 28-a of the N.H. Constitution: **The proposed rules do not mandate or assign any new, expanded or modified programs or responsibilities to any political subdivision of the State of New Hampshire. They therefore do not violate Part I, Article 28-a of the N.H. Constitution by necessitating additional local expenditures by a political subdivision.**

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 11-077-1 Printed: September 28, 2012

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.