

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC SAFETY

In the Matter of the Proposed Adoption
of Rules of the State Department of
Public Safety Governing Minimum Safety
Standards for Transportation of
of Natural and Other Gas by Pipeline.

STATEMENT OF NEED AND REASONABLENESS

The above captioned rules are amendments to existing rules of the State Department of Public Safety. The last time the above captioned rules were amended was August 1, 1974.

The need to adopt these rules arises because of changes in federal regulations which has resulted in Minnesota being in non-compliance with federal requirements. The Natural Gas Pipeline Safety Act of 1968 as amended by Title I of the Pipeline Safety Act of 1979 allows individual states to enter into partnership with the federal government in natural gas pipeline safety. State participation in the gas pipeline safety program is based on submission of a certification pursuant to a show of compliance with the federal regulations. To be in compliance it is required that each federal safety standard applicable to intrastate pipelines be adopted and enforced in Minnesota and that equivalent authorities exist in Minnesota as provided in certain sections of the federal act. These rules adopt the federal regulations by reference and make amendments to those sections in order to be able to effectively administer and enforce it at the state level. The amendments adopt state administrative and enforcement authorities, as provided for in the applicable federal regulation sections.

These rules are needed in order to be able to continue the pipeline safety program in Minnesota. Failure to adopt the current federal regulations would result in Minnesota losing its certification. The result would be that all natural gas pipeline facilities in Minnesota would still be subject to compliance with the federal regulations but they would be under administrative control of and be enforced by the federal government. This is not in the best interest of Minnesota or local gas utilities. State regulation and enforcement provides for a closer observation of utilities, ensures better and quicker compliance, and generally provides for increased safety.

11 MCAR1.5201, 1.5202 AND 1.5203 are the introductory sections of the rules, describing the purpose, scope and applicable definitions. 11MCAR1.5204 adopts the above-discussed federal regulations by reference. 11MCAR1.5205 - 1.5210 amend certain sections of the adopted federal code in order to specify the correct administrative and enforcement responsibilities. Each of these is discussed briefly below.

11 MCAR1.5205. This amendment adds a requirement for telephonic notice to the State Fire Marshal of certain leaks. This is now done under the current rules and represents no real change for affected utilities. This

fosters greater safety by providing the State Fire Marshal with immediate information on a potential hazard. Decisions relating to enforcement, response or other actions can be made more quickly with telephonic notice.

11 MCAR 1.5206. This section of the federal regulation requires copies of certain reports to be sent to the state agency having jurisdiction if the rules of that state agency so require. This amendment implements that provision by requiring that reports be sent to the State Fire Marshal. This is necessary in order to be in compliance with the certification requirements; it is done by utilities under the current rules and represents no real change for them.

11 MCAR1.5207. This amendment adds a requirement for reporting of leaks by operators of small gas distribution systems. The federal regulation being amended addresses only distribution systems of over 100,000 customers. This amendment is needed to include systems with 100,000 customers or fewer. There are many of these operations in Minnesota and it would be a safety hazard for leaks to go unnoticed in these systems. This is a requirement under the current rules and represents no change in requirements.

11 MCAR1.5208 & 1.5209 These amendments add the requirement that distribution transmission and gathering systems submit a copy of their annual reports to the State Fire Marshal. This is necessary in order to completely administer and enforce pipeline safety requirements at the state level. This is currently being supplied to the State Fire Marshal under current requirements.

11 MCAR1.5210. This amendment requires that inspection and maintenance plans be filed with the State Fire Marshal. It implements the provision of the federal regulation it replaces, which requires inspection and maintenance plans to be filed with the federal DOT unless the state jurisdiction has a certification in effect and requires by its rules that the plan be sent to a state agency. This change is needed in order to be in compliance with certification requirements, and this is an amendment which is in the currently effective state rules.

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