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PUBLIC UTILITY COMMISSION

DIVISION 31

INSPECTION OF GAS PIPELINE OPERATORS AND WAIVER OF SAFETY STANDARDS

860-031-0001

Applicability

The rules contained in this Division apply to all pipeline operators identified in ORS 757.039.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040, ORS 757.039 & ORS 759.039

Hist.: PUC 3-1999, f. & cert. ef. 8-10-99

860-031-0005

Inspection of Gas Pipeline Operator Facilities

(1) Priority in inspections will be given to those systems and plants with greater risk potential. The following factors will be considered in determining potential risk: the size of the plant or system and the number of customers it serves, the ratio of total pipe to cathodically protected pipe, the ratio of total pipe to coated pipe, the leaks per mile of main, the percentage of unaccounted-for gas volume, and the number of past accidents.

(2) Inspections will include reviews of the operator's standard practices and records concerning design, construction, operation, maintenance, inspection, emergency procedures, and damage prevention programs. Field inspections may include, but are not limited to: checks of cathodic protection levels, construction practices, barricading or protection of equipment from damage, witnessing operational checks of overpressure protection and regulating equipment, odorization, leak surveys, and other field functions. Any documentation, records, or physical evidence necessary to support allegations of noncompliance may be obtained by the investigator during the inspection or at any later date.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0010

Verbal Notice of Probable Violation to a Gas Pipeline Operator

When an evaluation of an operator's records, practices, or facilities indicates that the operator is not in compliance with a pipeline safety regulation, the investigator will informally discuss the probable violation of the regulation with the operator whenever practical before concluding the inspection. The operator may take on-site corrective action during the inspection or during the concluding interview at the facility when a probable violation exists. Whenever a probable violation is found, the investigator will issue a written inspection report pursuant to OAR 860-031-0015.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0015

Written Notice of Probable Violation to a Gas Pipeline Operator

(1) As soon as practical after an inspection where a probable violation was noted, a written inspection report listing all violations found will be issued. The report will contain a notice that a probable violation exists, a short description of the probable violation, and a citation to the rule(s) in point. The report will specify reasonable times for the operator to submit a response and to correct the violation. If the probable violation was corrected at the time of the inspection or concluding interview, the corrective action will be noted in the inspection report.

(2) The operator's written response pursuant to OAR 860-031-0020 must be received by the Commission's gas pipeline safety section within the time specified in the inspection report. If no written response is received within such time, the probable violation will be taken to be admitted.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0020**Responses Open to the Gas Pipeline Operator**

(1) After receiving the citation, the gas pipeline operator may:

(a) Correct the violation within the time allotted in the inspection report and notify the Commission's gas pipeline safety section of the action taken; or

(b) Submit a written plan of action indicating the action to be taken to correct the probable violation, including a schedule and the date when the completion of corrective action is anticipated; or

(c) Request an informal conference with the Commission's gas pipeline safety section.

(2) If the plan of action is rejected, or if the operator selects the third option, an informal conference will be scheduled.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0025**Informal Conference for a Probable Violation by a Gas Pipeline Operator**

A date, time, and place for the informal conference will be arranged. At the conference the operators may explain their positions and may present alternatives for remedying the probable violation. The operators and the gas pipeline safety staff may agree on a plan to remedy the probable violation.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0030**Referral to the Commission of a Probable Violation by a Gas Pipeline Operator**

After receiving a response from the operators and after holding the informal conference, if any, or after receiving no response within the time specified in the inspection report, the Commission's gas pipeline safety staff will determine whether to refer the case to the Commission for formal action. In such case, the staff shall notify the Commission of the response chosen by the operators and the result of the informal conference, if any.

Stat. Auth.: ORS 183, ORS 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0035**Civil Penalties**

Civil penalties for failure to comply with gas pipeline safety rules or regulations shall be based on the gravity of the violation, the extent of the operators' past violations, and other matters as justice may require.

NOTE: ORS 756.180 provides for the enjoining of a violation of the utility laws. ORS 757.991 provides for penalties for failure to comply with gas pipeline safety rules or regulations of \$10,000 per day, to a maximum of \$500,000 for any related series of failures.

Stat. Auth.: ORS 183, 756 & ORS 757

Stats. Implemented: ORS 756.040 & ORS 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 12-1999, f. & cert. ef. 11-18-99; PUC 9-2001, f. & cert. ef. 3-21-01

860-031-0040

Waivers of Gas Pipeline Safety Standards

(1) Upon request or its own motion, the Commission may waive any of the Division 031 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission. The application must include a statement of reasons why the regulations are not appropriate and why a waiver is consistent with gas pipeline safety. The Commission may grant a waiver if:

- (a) The noncompliance does not entail a significant risk to the operator's employees or the public; or
- (b) The degree of risk does not justify the expense of bringing the system into compliance.

(2) If the Commission decides to grant a waiver, it shall issue the waiver under such terms and conditions as are appropriate, with a statement of reasons for granting the waiver. The waiver shall contain a recital that it is subject to the approval of the Secretary of Transportation of the United States Department of Transportation. If the Commission denies the waiver, it shall notify the applicant of the reasons for the denial.

(3) The Commission shall give the Secretary of Transportation of the United States Department of Transportation written notice 60 days before the effective date of the waiver. If, before the effective date of the waiver, the Secretary objects in writing to the granting of the waiver, the Commission's action granting the waiver will be stayed. The Commission may present the case for the waiver to the Secretary, who, in such case, shall determine finally whether the requested waiver will be granted. If the Commission does not present the case for the waiver to the Secretary, the grant of the waiver shall be withdrawn and the waiver shall be denied.

Stat. Auth.: ORS 183, 756 & 757

Stats. Implemented: ORS 756.040 & 757.039

Hist.: PUC 18-1984, f. & ef. 9-4-84 (Order No. 84-685); PUC 1-1998, f. & cert. ef. 1-12-98; PUC 9-2001, f. & cert. ef. 3-21-01; PUC 6-2011, f. & cert. ef. 9-14-11

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