

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of Amending, Adopting, and Repealing:)	
)	DOCKET NO. TO-000712
)	
Chapter 480-75 WAC)	GENERAL ORDER NO. R-500
)	
Relating to Hazardous Liquid, Gas, Oil and Petroleum Pipeline Companies - Safety.)	ORDER AMENDING, ADOPTING AND REPEALING RULES
)	PERMANENTLY
.....)	

1 **STATUTORY OR OTHER AUTHORITY:** The Washington Utilities and
Transportation Commission takes this action under Notice WSR # 02-12-132, filed
with the Code Reviser on June 5, 2002. The Commission brings this proceeding
pursuant to RCW 80.01.040 and RCW 80.04.160.

2 **STATEMENT OF COMPLIANCE:** This proceeding complies with the Open
Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act
(chapter 34.05 RCW), the State Register Act (chapter 34.08 RCW), the State
Environmental Policy Act of 1971 (chapter 43.21C RCW), and the Regulatory
Fairness Act (chapter 19.85 RCW).

3 **DATE OF ADOPTION:** The Commission adopts this rule to be effective on the
date that this Order is entered.

4 **CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE:** RCW
34.05.325 requires that the Commission prepare and provide to commenters a concise
explanatory statement about an adopted rule. The statement must include the
identification of the reasons for adopting the rule, a summary of the comments
received regarding the proposed rule, and responses reflecting the Commission's
consideration of the comments.

5 The Commission often includes a discussion of those matters in its rule adoption
order. In addition, most rulemaking proceedings involve extensive work by
Commission Staff that includes summaries in memoranda of stakeholder comments,
Commission decisions, and Staff recommendations in each of those areas.

6 In this docket, to avoid unnecessary duplication, the Commission designates the
discussion in this order as its concise explanatory statement, supplemented where not

inconsistent by the Staff memoranda presented at the adoption hearing and at the open meetings where the Commission considered whether to begin a rulemaking and whether to propose adoption of specific language. Together, the documents provide a complete but concise explanation of the agency actions and its reasons for taking those actions.

7 **REFERENCE TO AFFECTED RULES:** This Order repeals the following sections of the Washington Administrative Code:

WAC 480-75-002	Application of rules.
WAC 480-75-005	Compliance with federal standards.
WAC 480-75-010	Annual reports.
WAC 480-75-223	Civil penalty for violation of chapter 81.88 RCW or regulations issued thereunder—Maximum amount.
WAC 480-75-230	Modification/waivers.

8 This Order amends the following section of the Washington Administrative Code:

WAC 480-75-999	Adoption by reference.
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9 This Order adopts the following sections of the Washington Administrative Code:

GENERAL RULES:

WAC 480-75-100	Definitions.
WAC 480-75-200	Application of rules.
WAC 480-75-210	Additional requirements.
WAC 480-75-220	Severability.
WAC 480-75-250	Civil penalty for violation of 81.88 RCW.
WAC 480-75-260	Exemptions for rules in chapter 480-75 WAC.

DESIGN:

WAC 480-75-300	Leak detection.
WAC 480-75-310	Geological considerations.
WAC 480-75-320	Overpressure protection.
WAC 480-75-330	Overfill protection.
WAC 480-75-340	Cathodic protection test station location.
WAC 480-75-350	Design specifications for new pipeline projects.
WAC 480-75-360	Class locations.
WAC 480-75-370	Design factor (F) for steel pipe.
WAC 480-75-380	Location of pump stations and breakout tanks for hazardous liquid pipelines.

CONSTRUCTION AND REPAIR:

WAC 480-75-400	Backfill and bedding requirements.
WAC 480-75-410	Coatings.
WAC 480-75-420	Hydrostatic test requirements.
WAC 480-75-430	Welding procedures.
WAC 480-75-440	Pipeline repairs.
WAC 480-75-450	Construction specifications.
WAC 480-75-460	Welding inspection requirements.

OPERATION AND MAINTENANCE:

WAC 480-75-500	Moving and lowering hazardous liquid pipelines.
WAC 480-75-510	Remedial action for corrosion deficiencies.
WAC 480-75-520	Inspections during excavation.
WAC 480-75-530	Right of way inspections.
WAC 480-75-540	Pipeline markers and above ground facilities.
WAC 480-75-550	Change in class location.

REPORTING:

WAC 480-75-600	Maps, drawings, and records of hazardous liquid facilities.
WAC 480-75-610	Reporting requirements for proposed construction.
WAC 480-75-620	Pressure testing reporting requirements.
WAC 480-75-630	Incident reporting.
WAC 480-75-640	Depth-of-cover survey.
WAC 480-75-650	Annual reports.
WAC 480-75-660	Operations safety plan requirements.

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PREPROPOSAL STATEMENT OF INQUIRY AND ACTIONS

THEREUNDER: The Commission filed a Preproposal Statement of Inquiry (CR-101) on August 21, 2000, at WSR # 00-17-134.

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ADDITIONAL NOTICE AND ACTIVITY PURSUANT TO PREPROPOSAL

STATEMENT: The statement advised interested persons that the Commission was considering entering a rulemaking to amend or adopt rules for intrastate hazardous liquid pipeline companies as required by Section 5, Chapter 191, Laws of 2000, and to review chapter 480-75 WAC in light of standards set forth in Executive Order No. 97-02 regarding regulatory improvement. The Commission also informed persons of the inquiry into this matter by providing notice of the subject and the CR-101 to all persons on the Commission's list of persons requesting such information pursuant to RCW 34.05.320(3) and by sending notice to all regulated intrastate hazardous liquid pipeline companies and the Commission's list of interested persons of hazardous

liquid pipeline related rulemakings. The Commission posted the relevant rulemaking information on its internet web site at www.wutc.wa.gov.

- 12 Prior to filing its rule proposal, the Commission solicited written comments and held workshops relating to the content of rules that address design, construction and repair, operation and maintenance, and reporting requirements for intrastate hazardous liquid pipeline companies. After considering and incorporating many of the suggestions made by stakeholders, the Commission offered the draft proposed rules for comment.
- 13 **MEETINGS OR WORKSHOPS; ORAL COMMENTS:** The Commission held three workshops to address design, construction and repair, operation and maintenance, and reporting requirements for intrastate hazardous liquid pipeline companies. Representatives from the following companies, organizations, agencies and municipalities attended some or all of the workshops: Olympic Pipeline Company –BP Pipelines North America, Inc., McChord Pipeline Company, Tidewater Terminal Company, Kaneb Pipeline Company, Agrium US., Inc., Accufacts, Inc., Adsistor Tech., Washington State Department of Emergency Management, King County Department of Natural Resources, Tumwater Fire Department, Port of Seattle, City of Bellingham, City of SeaTac, City of Spokane, City of Kent, City of Auburn, City of Seattle, City of Redmond. Sarah Spence commented as an individual interested person.
- 14 All rules were discussed at the workshops. Items of greatest interest included discussions relating to design, construction and repair, and operation and maintenance of new and repaired pipelines, as well as reporting requirements for pipeline companies. Agreement was reached on all issues raised by various stakeholders.
- 15 **NOTICE OF PROPOSED RULEMAKING:** The Commission filed a notice of Proposed Rulemaking (CR-102) on June 5, 2002, at WSR #02-12-132. The Commission scheduled this matter for oral comment and adoption under Notice WSR #02-12-132 at 9:30 a.m., Wednesday, July 10, 2002, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Notice provided interested persons the opportunity to submit written comments to the Commission.
- 16 **COMMENTERS (WRITTEN COMMENTS):** During the rulemaking process, the Commission called for seven rounds of comments on discussion drafts of rules. Following the notice of Proposed Rulemaking (CR-102), the Commission received written comments from the following companies and agencies: Olympic Pipeline Company –BP Pipelines North America, Inc., (Olympic), McChord Pipeline Company, (McChord), Energy Facility Site Evaluation Council (EFSEC), and Washington State Department of Ecology (DOE). Agreement was reached on all issues raised by various stakeholders.

17 **RULEMAKING HEARING:** The Commission originally scheduled this matter for oral comment and adoption under notice #02-12-132, at a rulemaking hearing scheduled during the Commission's regularly scheduled open public meeting on July 10, 2002, at the Commission's offices in Olympia, Washington. The Commission continued the rule adoption on July 10, 2002, to July 26, 2002. On July 26, 2002, Chairwoman Marilyn Showalter, Commissioner Richard Hemstad, and Commissioner Patrick J. Oshie considered the rule proposal for adoption, pursuant to notice during the Commission's regularly scheduled open public meeting. The Commission heard oral comments from Sondra Walsh representing Commission Staff, Rebecca Post representing DOE, and Dave Knoelke representing Olympic.

18 **COMMISSION ACTION:** After considering all of the information regarding this proposal, the Commission repealed, adopted, and amended the rules in the CR-102 at WSR #02-12-132 with the changes described below.

19 **CHANGES FROM PROPOSAL:** The Commission adopted the proposal with the following changes from the text noticed at WSR #02-12-132.

20 WAC 480-75-100, Definitions.

- The phrase "segment of pipeline" is deleted from the definition of "Maximum Operating Pressure (MOP)."
- The defined term "Company" is removed from "Company" "Pipeline" "Pipeline System" or "Hazardous Liquid Pipeline," and added to the defined terms for the definition of "Pipeline Company" or "Hazardous Liquid Pipeline Company."
- Definitions of "High Stress" and "High Stress Pipeline" are deleted.
- At the request of Olympic, the defined term "Reconstruction" is changed to "Construction," and "Reconditioning" is deleted from the defined term for the definition of "Major Reconstruction" or "Reconditioning."
- At the request of Olympic, the phrase "a replacement of an existing pipeline of 100 feet or longer" is deleted from the definition of "New Pipeline."

21 At the request of EFSEC, WAC 480-75-200, Application of rules, is clarified to identify which companies are subject to Chapter 480-75 WAC.

22 At the request of the DOE, the term "landslides" in WAC 480-75-310, Geological considerations, is replaced with "earth movement."

23 At the request of Olympic, WAC 480-75-320, Overpressure protection, is redrafted for clarity.

- 24 Language in subsections (3)(a) and (3)(b) of WAC 480-75-360, Class locations, is combined to clarify when a Class 1, 2 or 3 location must be adjusted.
- 25 At the request of Olympic, WAC 480-75-380, Location of pump stations and breakout tanks for hazardous liquid pipelines, is revised to change the phrase “other areas” to “areas not zoned.”
- 26 At the request of Olympic, WAC 480-75-400, Backfill requirements, adds the word “bedding” to the title and to subsection (1) of the rule.
- 27 At the request of Olympic and McChord, WAC 480-75-420, Hydrostatic test requirements, is redrafted in performance-based language.
- 28 At the request of DOE, subsection (9) is added to WAC 480-75-420 to inform companies that prior to conducting a hydrostatic test, they need to consider DOE rules for the disposal of testing water at the conclusion of the test.
- 29 At the request of Olympic and McChord, language in WAC 480-75-460, Welding inspection requirements, is revised to clarify that 100% radiography or ultrasonic testing must be conducted on all new girth welds.
- 30 Errors in WAC references in WAC 480-75-550, Change in class location, are corrected to reference WAC 480-75-360 and WAC 480-75-370.
- 31 At the request of Olympic, language in WAC 480-75-610, Reporting requirements for proposed construction, is revised to clarify when the Commission must be notified in the event of an emergency.
- 32 WAC 480-75-630, Incident reporting.
- Subsection (1) language is revised to clarify that an incident must be reported within two hours of discovery.
 - The words “or more” are added to subsection (1)(c) following the phrase “spills of 5 gallons.”
 - The combined total cost of damage to the property of the company and others in subsection (1)(d) is revised from five thousand dollars to twenty-five thousand dollars.
- 33 WAC 480-75-999, Adoption by reference, is revised to include all appropriate references cited in Chapter 480-75 WAC.
- 34 WAC 480-75-390, Valve spacing and rapid shutdown. The Commission finds that there is a need to continue discussions about the language in this section.

Accordingly, the Commission, at this time, is not adopting this rule as previously proposed.

35 Other non-substantive grammar and punctuation changes were made after a final review by the Commission.

36 **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** In reviewing the entire record, the Commission determines that WAC sections 480-75-002, 480-75-005, 480-75-010, 480-75-223, and 480-75-230 should be repealed.

37 The Commission determines that WAC 480-75-390 should be further discussed. Accordingly the Commission does not adopt this rule as previously proposed.

38 The Commission determines that WAC 480-75-999 should be amended to read as set forth in Appendix A, as a rule of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380 (2) on the thirty-first day after filing with the Code Reviser.

39 The Commission also determines that WAC sections 480-75-100, 480-75-200, 480-75-210, 480-75-220, 480-75-250, 480-75-260, 480-75-300, 480-75-310, 480-75-320, 480-75-330, 480-75-340, 480-75-350, 480-75-360, 480-75-370, 480-75-380, 480-75-400, 480-75-410, 480-75-420, 480-75-430, 480-75-440, 480-75-450, 480-75-460, 480-75-500, 480-75-510, 480-75-520, 480-75-530, 480-75-540, 480-75-550, 480-75-600, 480-75-610, 480-75-620, 480-75-630, 480-75-640, 480-75-650, 480-75-660 should be adopted to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380 (2) on the thirty-first day after filing with the Code Reviser.

ORDER

40 **THE COMMISSION ORDERS That:**

41 WAC sections 480-75-002, 480-75-005, 480-75-010, 480-75-223, and 480-75-230 are repealed.

42 WAC 480-75-999 is amended to read as set forth in Appendix A, as a rule of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380 (2) on the thirty-first day after filing with the Code Reviser.

43 WAC sections 480-75-100, 480-75-200, 480-75-210, 480-75-220, 480-75-250, 480-75-260, 480-75-300, 480-75-310, 480-75-320, 480-75-330, 480-75-340, 480-75-350, 480-75-360, 480-75-370, 480-75-380, 480-75-400, 480-75-410, 480-75-420, 480-75-430, 480-75-440, 480-75-450, 480-75-460, 480-75-500, 480-75-510, 480-75-520, 480-75-530, 480-75-540, 480-75-550, 480-75-600, 480-75-610, 480-75-620, 480-75-

630, 480-75-640, 480-75-650, 480-75-660 are adopted to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380 (2) on the thirty-first day after filing with the Code Reviser.

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This Order and the rule set out below, after being recorded in the register of the Washington Utilities and Transportation Commission, shall be forwarded to the Code Reviser for filing pursuant to chapters 80.01 and 34.05 RCW and chapter 1-21 WAC.

DATED at Olympia, Washington, this _____ day of August, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

Note: The following is added at Code Reviser request for statistical purposes:

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, amended 0, repealed 0; Federal Rules or Standards: New 0, amended 0, repealed 0; or Recently Enacted State Statutes: New 0, amended 0, repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, amended 0, repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 35, amended 1, repealed 5.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 35, amended 1, repealed 5.

Number of Sections Adopted using Negotiated Rule Making: New 0, amended 0, repealed 0; Pilot Rule Making: New 0, amended 0, repealed 0; or Other Alternative Rule Making: New 0, amended 0, repealed 0.