



5 In this docket, to avoid unnecessary duplication, the Commission designates the discussion in this Order, including appendices, as its concise explanatory statement, supplemented where not inconsistent by the staff memoranda preceding the filing of the CR-102 proposal and the adoption hearing. Together, the documents provide a complete but concise explanation of the agency actions and its reasons for taking those actions.

6 **REFERENCE TO AFFECTED RULES:** This Order amends and adopts the following sections of the Washington Administrative Code:

<b>Adopt</b>	<b>WAC 480-75-270</b>	<b>Damage prevention.</b>
<b>Amend</b>	<b>WAC 480-75-300</b>	<b>Leak detection.</b>
<b>Amend</b>	<b>WAC 480-75-450</b>	<b>Construction specifications.</b>
<b>Amend</b>	<b>WAC 480-75-630</b>	<b>Incident reporting.</b>
<b>Amend</b>	<b>WAC 480-75-650</b>	<b>Annual reports.</b>

7 **PREPROPOSAL STATEMENT OF INQUIRY AND ACTIONS**

**THEREUNDER:** The Commission filed a Preproposal Statement of Inquiry (CR-101) on July 19, 2006, at WSR # 06-15-123.

8 The statement advised interested persons that the Commission was considering entering a rulemaking to address possible corrections and clarifications to selected sections of WAC 480-75, Hazardous Liquid, Gas, Oil and Petroleum Pipeline Companies - Safety, specifically rules governing hazardous liquid operators. In addition, the statement advised interested persons that the Commission was considering a new rule to address compliance with the damage prevention requirements of RCW 19.22.

9 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), to all gas companies, to the Commission's lists of persons interested in intrastate and interstate pipeline issues, pipeline safety, rulemakings generally, rulemakings related to gas companies, pipeline companies and pipeline safety, and to the Commission's lists of regulatory attorneys. Pursuant to the notice, the Commission requested comments on the rulemaking. Two companies, McChord Pipeline Company (McChord) and Puget Sound Energy, Inc. (PSE), filed comments notifying the Commission of their interest in the rulemaking.

- 10 **NOTICE OF PROPOSED RULEMAKING:** The Commission filed a notice of Proposed Rulemaking (CR-102) on December 6, 2006, at WSR #06-24-128. The Commission scheduled this matter for oral comment and adoption under Notice WSR #06-24-128 at 1:30 p.m. on February 7, 2007, 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.
- 11 **WRITTEN COMMENTS:** The Commission received written comments from BP Pipelines N.A. (BP) and McChord. A summary of written comments and Commission responses are presented below.
- 12 **RULEMAKING HEARING:** The Commission considered the proposed rules for adoption at a rulemaking hearing on February 7, 2007, before Chairman Mark H. Sidran, Commissioner Patrick J. Oshie, and Commissioner Philip B. Jones. No other interested person made oral comments.
- 13 **SUGGESTIONS FOR CHANGE THAT ARE ACCEPTED:** The written comments suggested changes to the proposed rules. BP suggested that the Commission modify the proposed language in WAC 480-75-450, which governs construction specifications. BP suggested the proposed rule be modified to exempt companies from the requirement to locate seams on the upper half of the pipe when constructing pipelines using boring or directional drilling techniques. The company asserted it would be nearly impossible to control the orientation of the pipe seams while using these construction techniques. BP also requested a change to proposed language in WAC 480-75-650, which governs annual reports. BP later withdrew its request. BP's suggestion for change to WAC 480-75-450 is appropriate and the proposed rule should be modified to reflect the suggested change.
- 14 McChord suggested changes to the annual reporting requirement in proposed WAC 480-75-650(2). McChord asserted that the rule should require operators to continue to complete a standardized form provided annually by the Commission that includes all of the information listed in the rule. McChord asserted that, as worded, the proposed rule leaves open to interpretation the definition of a "report" and the amount of detail required. McChord proposed alternative language for WAC 480-75-650 (2): "A report form titled, "Hazardous Liquid Annual Report Form" which can be obtained from the Pipeline Safety Section of the commission. The annual report must include ..." McChord's suggestion for change to WAC 480-75-650(2) is appropriate and the proposed rule should be modified to reflect the suggested change.

15 **COMMISSION ACTION:** After considering all of the information regarding this proposal, the Commission finds and concludes that it should amend and adopt the rules as proposed in the CR-102 at WSR # 06-24-128 with the changes described below.

16 **CHANGES FROM PROPOSAL:** The Commission adopts the proposal with the following changes from the text noticed at WSR #06-24-128.

17 We recognize the difficulty operators would face under proposed WAC 480-75-450 in controlling the orientation of pipe seams during construction using boring or directional drilling techniques. Therefore, we amend the proposed rule to require orientation of pipe seams only when the pipe is laid in an open trench, as follows:

Operators must assure that new pipeline construction conforms to the requirements of ASME B31.4. Information about the ASME edition adopted and where to obtain it are set out in WAC 480-75-999, Adoption by reference. The longitudinal seams of connecting pipe joints must be offset by at least two inches. In addition, the longitudinal seams must be located on the upper half of the pipe when laid in an open trench.

18 We find McChord's proposal for the Commission to prepare a standardized annual report form appropriate. Using a standardized form will eliminate confusion about what operators must include in a report and will provide the Commission more useable information. Proposed WAC 480-75-650(2) is amended as follows:

(2) A report titled, "Hazardous Liquid Annual Report Form" which can be obtained from the Pipeline Safety Section of the commission. The annual report must include in detail the following information:

- (a) Interstate and intrastate pipeline mileage in Washington State; and
- (b) List of reportable and nonreportable safety related conditions as defined in 49 CFR 195.55.

19 **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** After reviewing the entire record, the Commission determines that WAC 480-75-270 should be adopted, and WAC 480-75-300, WAC 480-75-450, WAC 480-75-630, and WAC 480-75-650 should be amended 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**

20 **THE COMMISSION ORDERS:**

21 The Commission adopts WAC 480-75-270, and amends WAC 480-75-300, WAC 480-75-450, WAC 480-75-630, and WAC 480-75-650 to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect on the thirty-first day after the date of filing with the Code Reviser pursuant to RCW 34.05.380(2).

22 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 RCW 80.01, RCW 34.05 RCW and WAC 1-21.

DATED at Olympia, Washington, April 2, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, 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 2, 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 1, amended 2, repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, amended 0, repealed 0.

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.