

Administrative Rule Analysis



GAS SAFETY

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Rule Set No.: 2016-057 LR
Submitted to JCAR on: 08/27/2018

Analysis available at
<http://www.legislature.mi.gov>

Department: Licensing and Regulatory Affairs
Agency: Michigan Public Service Commission
Enabling Statute: Gas Safety Standards Act, 1969 PA 165, MCL 483.152

Analysis Complete to: 09/12/2018

BACKGROUND AND SUMMARY OF PROPOSED RULES

Rule set 2016-057 LR would revise existing state rules to adopt updated federal rules. Adopting the federal rules is necessary so that the State can retain jurisdiction over pipeline regulation and so that federal funding will be available for said regulation.

The rule set would adopt by reference a more current version of federal standards contained in 49 CFR part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards," and more recent versions of 49 CFR parts 40, 191, and 199. A new rule (R 460.20335) would be added to prohibit future master meter systems without a Michigan Public Service Commission (MPSC) waiver, and would require operators to endeavor to enter into operation and maintenance agreements with owners of existing master meter systems. The addition of R 460.20335 would codify a 1974 MPSC order. A rule (R 460.20338) would be added to prohibit installation of farm taps after January 1, 2019, except in cases where the operator is a public utility.

FISCAL IMPACT OF PROPOSED RULES

The Department of Licensing and Regulatory Affairs indicated that additional training may be necessary to educate MPSC gas safety staff on federal requirement changes. However, training is provided by the U.S. Department of Transportation (DOT), Pipeline and Hazardous Materials Safety Administration, which would not require a significant expenditure by the MPSC. The MPSC expects to apply for a U.S. DOT grant to cover a portion of costs of gas storage inspections and enforcement activities associated with the regulation of pipelines. The rule set would not have a fiscal impact on any other unit of state or local government.

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