

PUCO RESPONSE MEMORANDUM

To: Mark Hamlin
Director of Regulatory Policy
Ohio Lieutenant Governor's Office

From: Angela Hawkins
Legal Director
Public Utilities Commission of Ohio
Legal Department

Date: November 4, 2013

Re: PUCO Response – Gas Pipeline Safety Rules Contained in Chapter
4901:1-16, Ohio Administrative Code.

Following CSI's review of the process for the rules contained in Chapter 4901:1-16, Ohio Administrative Code (O.A.C.), in which CSI recommend the PUCO further evaluate comments regarding the 24-hour contact requirements, the Public Utilities Commission of Ohio issued a finding and order (order) adopting Rules 4901:1-16-01 through 4901:1-16-15, O.A.C. The Commission addressed concerns regarding the 24-hour contact requirements on pages 4-5 of the Order.

Pursuant to Section 4903.10, Revised Code, and Rule 4901-1-35, O.A.C., any affected stakeholder may file an application for rehearing, within thirty days, if the stakeholder believes that the Commission's order is unreasonable or unlawful. Applications for rehearing of the Commission's order must be filed by November 29, 2013.

In the order, the Commission adopted a number of recommendations from the Ohio Oil and Gas Association, Duke Energy Ohio, Inc., CONSOL Energy Inc., and Ohio Petroleum Council:

- Rule 4901:1-16-01(P), O.A.C., clarifying the definition of "operator" (finding (10) on pages 2-3).

- Rule 4901:1-16-04, O.A.C., removing introductory text that is duplicative in light of other amendments to the rule (finding (11) on page 3).
- Rule 4901:1-16-12(F), O.A.C., clarifying that the rule applies only to violations of applicable provisions of the pipeline safety code (finding (15) on page 6).
- Rule 4901:1-16-15(C), O.A.C., clarifying that, not later than 21 days prior to the commencement of construction of a gas gathering/processing plant pipeline, the design maximum allowable operating pressure (MAOP) should be submitted to the Commission's Staff (Staff) (finding (16) on pages 6-8).
- Rule 4901:1-16-15(C), O.A.C., clarifying that the information required by the rule must be submitted to Staff not later than 21 days prior to the commencement of construction of the pipeline (finding (16) on pages 6-8).
- Rule 4901:1-16-15(D), O.A.C., specifying that the route, class location, length, MAOP, outside diameter, wall thickness, yield strength, and a description of the pipeline that includes compressor stations must be provided to Staff not later than 60 days after completion of pipeline construction (finding (16) on pages 6-8).

Other recommendations regarding Rules 4901:1-16-01, 05, 06, 11, and 15, O.A.C., were not adopted by the Commission and, therefore, did not result in changes to the rules originally reviewed by CSI.

The Commission believes that it has adequately included stakeholders in the development of these rules, that it evaluated the impact of the rules on businesses, and that the purpose of the rules is important enough to justify any impact that may exist. Accordingly, the Commission believes that the rules, with the Commission's revisions, should be adopted.

The Commission requests CSI further evaluate these rules and provide a final recommendation for filing with JCARR.

cc: Eric Weldele, Chief of Staff, Public Utilities Commission of Ohio
Christine Pirik, Chief, Gas & Power Siting Section, Public Utilities Commission of Ohio
Sarah Parrot, Attorney Examiner, Public Utilities Commission of Ohio