



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Joseph Baker, Director

MEMORANDUM

TO: Jeffrey Jones, Public Utilities Commission of Ohio

FROM: Michael Bender, Business Advocate

DATE: February 6, 2023

RE: **CSI Review – Gas Pipeline Safety (OAC 4901:1-16-01 through 4901:1-16-15)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Commission as provided for in ORC 107.54.

Analysis

This rule package consists of eleven amended rules, three no-change rules, and one rescinded rule proposed by the Public Utilities Commission of Ohio (PUCO). This rule package was submitted to the CSI Office on December 19, 2022, and the public comment period was held open through January 6, 2023. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on December 19, 2022.

Ohio Administrative Code (OAC) 4901:1-16 governs the procedures and proceedings related to gas pipeline safety, including measures such as reporting, investigations, and corrective actions. OAC 4901:1-16-01, 4901:1-16-02, 4901:1-16-03, 4901:1-16-04, 4901:1-16-05, 4901:1-16-06, 4901:1-16-07, 4901:1-16-08, 4901:1-16-11, 4901:1-16-12, and 4901:1-16-14 are amended to update language, eliminate redundant provisions, be more consistent with federal laws and rules, and remove references to gas gathering pipelines. No revisions are proposed for OAC 4901:1-16-09, 4901:1-16-10, and 4901:1-16-13. OAC 4901:1-16-15 is rescinded due to redundancy with federal law.

During early stakeholder outreach, the PUCO issued an Entry in Case No. 22-811-GA-ORD to seek comments from stakeholders from October 5, 2022, through November 2, 2022, later extended

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIPublicComments@governor.ohio.gov

through November 9, 2022, regarding proposed revisions to OAC 4901:1-16. The Entry was served upon all regulated gas and natural gas companies, pipeline companies, certified retail natural gas service suppliers, the Ohio Department of Development, the Office of the Ohio Consumers' Counsel, the Ohio Gas Association, the Ohio Petroleum Council, the Ohio Oil and Gas Association, American Petroleum Institute – Ohio, and the gas-pipeline listserv. The PUCO received comments during this time period from Columbia Gas of Ohio (Columbia). In addition to various minor suggestions, Columbia proposed allowing operators up to thirty days to classify leaks when methane has been detected using advanced leak detection technology. The PUCO rejected this change, noting that it still reserves the right to grant waivers under the rules of the chapter. The PUCO did make some clarifications to the rules but stated that other suggestions from Columbia are best left to future rule review. No additional comments were received during the CSI public comment period.

The business community impacted by the rules includes natural gas pipeline operators. The adverse impacts created by the rules include assessing service lines, abandoning unsafe inactive service lines, recordkeeping, compliance with the Pipeline Safety Code, report submission, payments of forfeitures or made to stipulation, and notice requirements. According to the PUCO, the impacts to business in terms of time and cost should be small. Additionally, the PUCO notes that the revisions to the rules were drafted in an effort to minimize these impacts. The PUCO states that the adverse impacts to business are justified to enforce the Natural Gas Pipeline Safety Act of 1968 and to ensure the operational safety of the natural gas infrastructure and the safety of the citizens of Ohio.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Commission should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.