

RULES AND REGULATIONS

Title 52—PUBLIC UTILITIES

PENNSYLVANIA PUBLIC UTILITY COMMISSION

[52 PA. CODE CH. 59]

[L-950109]

Excessive Gas Service

The Pennsylvania Public Utility Commission (Commission) on December 18, 1997, adopted a final rulemaking regarding obsolete regulations in Chapter 59. The rulemaking is to reflect changes in eleven sections of this chapter which will clarify, simplify and remove excessive and burdensome requirements from the Commission's gas service regulations. Sections will be eliminated which no longer serve a useful purpose and other sections will be modified to promote ease of application, as well as fairness. The contact person is R. K. Smith, Assistant Counsel, Legal Division, Bureau of Transportation and Safety (717) 783-3713.

Executive Summary

On January 29, 1996, the Commission entered an Order at Docket No. L-00950109, instituting a proposed rulemaking to rescind all obsolete and excessive gas service regulations codified in Chapter 59. The purpose of the rulemaking was to clarify, simplify and remove excessive and burdensome requirements from current gas service regulations which should result in greater efficiency to the gas industry, consumers and the Commonwealth.

All comments filed to the proposed rulemaking have been considered. The regulations, as amended in consideration of the filed comments, are consistent with the public interest.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Commission submitted a copy of the final rulemaking, which was published as proposed at 26 Pa.B. 1370 (March 30, 1996) and served on March 15, 1996, to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of House Committee on Consumer Affairs and the Senate Committee on Consumer Protection and Professional Licensure for review and comment.

In compliance with section 5(c) of the Regulatory Review Act, the Commission also provided IRRC and the Committees with copies of all comments received, as well as other documentation. In preparing these final-form regulations, the Commission has considered all comments received from IRRC, the Committees and the public.

These final-form regulations were deemed approved by the House Committee on Consumer Affairs April 27, 1998, and by the Senate Committee on Consumer Protection and Professional Licensure on October 28, 1997, and were approved by IRRC on May 7, 1998, in accordance with section 5.1(d) of the Regulatory Review Act (71 P. S. § 745.5a(d)).

Public Meeting held
December 18, 1997

Commissioners present: John M. Quain, Chairperson; Robert K. Bloom, Vice Chairperson; John Hanger; David W. Rolka; and Nora Mead Brownell

Order

By the Commission:

On January 29, 1996, the Commission entered an order at Docket No. L-00950109 instituting a proposed rulemaking to rescind all obsolete and excessive gas service regulations codified in Chapter 59. The purpose of the rulemaking was to clarify, simplify and remove excessive and burdensome requirements from current gas service regulations which should result in greater efficiency to the gas industry, consumers and the Commonwealth.

On February 23, 1996, the Office of Attorney General issued its approval of the proposed rulemaking as to form and legality. On March 15, 1996, copies of the proposed rulemaking were delivered for review and comment to the designated standing committees of both houses of the General Assembly and IRRC. The proposed rulemaking was published at 26 Pa.B. 1370 (March 30, 1996).

Timely comments to the proposed rulemaking were received from IRRC, the Office of Consumer Advocate (OCA), the Pennsylvania Gas Association (PGA), Columbia Gas and the Commission's Bureau of Conservation, Economics and Energy Planning (CEEP). Comments from UGI Utilities, Inc. (UGI) and IRRC were also received which pertain to § 59.51 (relating to general). Section 59.51 requires gas utilities to comply with the electric utility sales promotion practices in §§ 57.61—57.67. Section 59.51 was not made part of this rulemaking. Further consideration of § 59.51 will be specifically addressed in the Commission's proposed rulemaking relating to natural gas emergency planning docketed at L-00940098. This rulemaking was originally considered at our June 5, 1997, public meeting. Since that portion of the rulemaking to eliminate § 59.62 (relating to gas sales ban) was inadvertently omitted from the final-form regulations, the rulemaking in its entirety will now be considered. The views of the commentators will be discussed and evaluated in the content of each issue included within the scope of the rulemaking.

§ 59.1. Definitions.

Comments were received from three commentators. CEEP supports the proposed changes. Columbia Gas and IRRC suggested that pressure designations be redefined as low pressure and high pressure to comply with Federal regulations. Commission regulations list low, medium, high and standard service pressures. References to the various pressures appear throughout the regulations. Standard service pressure is a pressure defined by each public utility under § 59.29 (relating to gas pressure requirements for low-pressure distribution systems). To eliminate this definition might require the utilities to revisit their tariffs to correct this entry. The same would be true as other pressure entries might have to be redefined. This would be contrary to the intent of this rulemaking by increasing the burden on the operators to make these changes.

For these reasons, the Commission, while supportive of this suggestion, must reject it. A separate rulemaking might be considered to address this issue. Many gas operators currently use pressure designations of low, medium, intermediate and high. Changing these designations, without allowing the gas operators the opportunity to comment, might generate unintended consequences and might have the effect of increasing rather than decreasing their burdens.

The term "customer meter" is defined within the definition of "service line." IRRC would like to see "customer meter" as a separate definition. This definition is identical to that appearing in the Federal regulations. IRRC suggestion, however, has merit; and for the sake of clarification, the definition of "customer meter" will be listed as a separate item.

§ 59.11. Accidents.

Comments were received from CEEP, IRRC, OCA and PGA. The PGA supports the proposed changes.

CEEP, IRRC and OCA expressed concern that the proposed changes would eliminate the need for gas operators to notify the Commission of prolonged and serious interruptions of normal gas service. While this is a legitimate concern, the required notice regarding service outages is addressed in § 67.1(b) (relating to general provisions). It requires the operator "to notify the Commission when 2,500 or 5%, whichever is less, of their customers have an unscheduled service interruption in a single incident for six or more projected consecutive hours." In view of this specific reporting requirement, the requests to include specific outage reporting requirements in § 59.11 was denied.

IRRC suggested that the term "personal injury" be defined more precisely in § 59.11(b)(1)(i) to eliminate the requirement to notify the Commission whenever minor injuries occur. We agree with this suggestion. This definition has been modified to limit it to those injuries requiring inpatient hospitalization.

Comments were received from CEEP and IRRC regarding the damage threshold in § 59.11(b)(ii) for reporting accidents. CEEP is concerned that the figure would preclude the reporting of damage to a significant portion of the housing stock in this Commonwealth if unoccupied. They suggested that the \$50,000 figure be replaced and that damage to any structure be substituted in its place. IRRC commented that CEEP's suggestion of damage to any structure was overly broad and could result in reporting of accidents that cause minor damage. We agree with IRRC's comment. CEEP's suggestion to replace the \$50,000 figure with damage to any structure in § 59.11(b)(ii) is denied for the following reasons: (1) it would increase the reporting burden on the gas operators; and (2) the \$50,000 damage figure includes not only the damage done to the structures but also to the contents of those structures, the cost of lost gas and the damages done to the operator's facilities including the cost of parts and labor for repairs.

§ 59.15. Measurement of gas at higher than standard service pressure.

§ 59.21(a)(2). Meter tests.

Comments were received from CEEP, OCA and IRRC regarding the proposed changes to §§ 59.15 and 59.21(a)(2) which extended the maximum testing interval for meters from 2 to 5 years and reduced the recordkeeping from 10 years to 5 years. CEEP supports the changes. The OCA, while agreeing with the changes for newer regulators and meters, recommended that the existing 2 year testing schedule be maintained for older meters. The OCA recommended further that the Commission specify by age, those newer generation regulators and meters which require less frequent testing. IRRC agreed with the OCA but suggested an alternative method whereby the Commission would designate the year of installation after which testing would be at 5-year intervals. We agree with the concerns raised by the OCA and IRRC. Therefore, the

proposed maximum 5 year interval applies only to meters installed after January 1, 1990.

§ 59.26. Refusal to serve applicant.

Section 59.26 permits a utility to initially decline to serve an applicant if certain conditions are present. This would appear to prohibit the utility from suspending service if those conditions are found thereafter. To clarify this issue and to insure the utility's right and obligation to suspend service, the word "initially" has been removed. CEEP was the only entity to comment and they support the change.

§ 59.29. Gas pressure requirements for low pressure distribution systems.

Comments were received from CEEP, IRRC, Columbia Gas and PGA. The comments ranged from support for the recommended changes to a suggestion that the entire section be deleted. The comments on each subsection are as follows:

Existing § 59.29(a). Pressure districts—deleted.

CEEP supports these changes. Columbia Gas suggested that § 59.29 be deleted. Since there have been no comments to the contrary, § 59.29(a) has been deleted.

Existing § 59.29(b). Maximum pressure.

This subsection has been redesignated as § 59.29(a). Columbia Gas suggested deletion in favor of the Federal regulations in 49 CFR 192.623 (relating to maximum and minimum allowable operating pressure; Low Pressure Distribution Systems). IRRC suggested that the reference to the maximum pressure of 14 inches of water column be deleted so that the Commission's regulations will conform to the Federal regulations unless the Commission can demonstrate a compelling need to retain this requirement. The reference to the maximum pressure of 14 inches of water column traces back to the Commission's adoption of Natural Gas Regulations on January 29, 1946. A 1986 rulemaking addressed both the maximum pressure and the minimum pressure for low pressure distribution systems. At that time, the then Bureau of Safety and Compliance (now the Bureau of Transportation and Safety) stated, the specification of minimum and maximum pressure requirements will greatly simplify enforcement, since if these parameters are not met, it will not be necessary to examine customer appliances to see if they can safely accommodate pressures outside of these parameters. This argument is valid today and should satisfy IRRC's compelling need to retain this requirement. Also, the unintended consequences of changing pressure designations as discussed with regard to § 59.1 applies here. Again, a separate rulemaking addressing pressure designations might be considered. For these reasons, the request to delete or modify the existing § 59.21(b), except to redesignate it as § 59.29(a) was rejected.

Existing § 59.29(c). Minimum pressure.

This subsection has been redesignated as § 59.29(b). Columbia Gas suggested deleting this subsection. The request is rejected for the reasons outlined under maximum pressure in § 59.29(b), redesignated as § 59.29(a).

Existing § 59.29(d). Changing pressure.

This subsection is redesignated as § 59.29(c). Columbia Gas recommended its deletion in view of the Federal regulations. The PGA suggested that the last sentence be deleted since it requires utilities to notify the Commission whenever pressure changes are made necessitating adjustment of appliances. This deletion would relieve the utilities and the Commission of the expense of producing

and reviewing the reports. IIRC agrees with the PGA. We conclude that the recommendation to eliminate the reporting requirement has merit; therefore, the last sentence from § 59.29(d), redesignated as § 59.29(c) has been deleted.

Existing § 59.29(e). Exceptions—deleted.

The PGA opposed the deletion of this subsection. They stated that operational realities sometime necessitate occasional increases above prevailing standards and it is not clear what procedures would be available, if this subsection is deleted. The PGA stated further that the uprating procedures defined by 49 CFR Part 192, Subpart K and 192.619 (relating to uprating; and maximum allowable operating pressure: Steel or plastic pipelines) do not appear directed towards low-pressure systems. IIRC addressed this issue with the Gas Safety Division and the Federal Office of Pipeline Safety. Their comments were consistent in that § 59.29(e) was in conflict with 49 CFR Part 192, Subpart K and 192.619; therefore, it should be deleted. IIRC suggested that the final regulation reference the appropriate sections of the Federal regulations addressing operations at higher than maximum operating pressure. There is nothing in the Federal regulations that permits a system to operate above the maximum allowable operating pressure unless the uprating procedure in 49 CFR Part 192, Subpart K is followed. Therefore, § 59.29(e) is deleted.

Existing § 59.29(f). Pressure gauges.

This subsection is redesignated as § 59.29(d). The PGA suggested that this subsection be deleted because it exceeds the requirements of the Federal regulation in 49 CFR 192.741(b). They further suggested that pressure recording charts on small single feed systems serve no useful purpose and impose installation, maintenance and monitoring costs which are not required in states where only the USDOT standards apply. The comments of Columbia Gas were similar to the comments of the PGA. IIRC, after discussions with the Gas Safety Division of the Bureau of Transportation and Safety, does not oppose the retention of this subsection. The PGA and Columbia Gas made reference to 49 CFR 192.741(a) and (b). They are correct in that the Commission's regulations exceed the Federal regulations which are minimum safety regulations. The states may exceed these minimum regulations and are encouraged to do so if safety considerations warrant it. The Commission promulgated these regulations so that gas customers on low pressure systems are afforded the same level of protection as those systems which have Federally mandated recording gauges. Federal regulations require that each district regulator station be inspected once each calendar year with a maximum interval of 15 months. The Federal regulation at 49 CFR 192.741(c) requires that the regulator and auxiliary equipment be inspected and that necessary corrections be made if there are indications of abnormally high or low pressure. Recording gauges will alert the operator to pressure abnormalities and allow the operator to make the proper corrections. In pressure distribution systems without a recording gauge, the operator would be unable to identify pressure abnormalities except those that occur on the day that the regulator station is inspected. Failure to address abnormalities could lead to safety and supply problems; therefore, the suggestion to delete this subsection was denied.

§ 59.33(b). Safety code.

CEEP supported the proposed changes. The PGA, Columbia Gas and IIRC suggested that this section be

changed to eliminate the review, ratification and publication of new Federal pipeline safety regulations. They suggested that the section be modified so the date of amendment issuance by Federal agencies is the effective date for amendments in this Commonwealth.

Historically, the Commission has declined to implement a procedure of automatic adoption of Federal standards because we believed this would constitute an impermissible delegation of our rulemaking authority. We are not persuaded today that it is in the public interest for us to delegate any portion of our rulemaking authority. Accordingly, the request that the Commission implement a procedure of automatic adoption of Federal standards was denied.

§ 59.35. Increasing pressure in distribution facilities and transmission facilities.

CEEP supported the recommended changes. The PGA suggested that the section be deleted since it is identical to 49 CFR Part 192, Subpart K, dealing with pressure upratings. IIRC agreed with the PGA's recommendation. While this section does include a reference to the Federal regulations, it also addresses an omission therein. This section requires all pipelines to be leak surveyed before any pressure increase is started. The Federal regulation requires a leak survey before uprating for lower pressure pipelines, but no provision is made for higher pressure lines (49 CFR 192.555 and 192.557 (relating to uprating to a pressure that will produce a hoop stress of 30 percent or more of SMYS in steel pipelines; and Uprating: Steel pipelines to a pressure that will produce a hoop stress less than 30 percent of SMYS; plastic, cast iron, and ductile iron pipelines)). Also, this section, in the last sentence, requires an operator to inspect structures abutting or adjacent to the gas mains to confirm the utility's records as to the presence or absence of a gas service line on each property. This procedure can identify old unrecorded service lines which can then be abandoned. If unrecorded gas lines are in place and not identified, a leak during the uprating procedure might create serious consequences if leaking gas collects in a structure and explodes. In view of these concerns, the request to delete this section is denied.

§ 59.38. Filing of major construction reports.

Comments were received from CEEP, the PGA and IIRC. CEEP supported the changes. The PGA suggested raising the reporting requirement to \$500,000 or eliminating it altogether. The PGA also questioned the usefulness of and expense to prepare the reports. IIRC suggested that the Commission justify the \$300,000 figure and explain why it should not be raised to \$500,000 as suggested by the PGA. The Commission's position is as follows: 1) The \$300,000 figure, when corrected for inflation, still exceeds the \$200,000 figure as stated in the 1986 rulemaking. The Consumer Price Index (CPI) currently utilizes a base period of 1982 to 1984 as 100. Using this reference, the CPI for 1986 was 109.6 while 1995 has a CPI of 152.4 (the latest year for which figures are available). Using these figures, the \$200,000 figure specified in 1986, corrected for inflation, would yield \$278,100. The \$300,000 not only corrects for existing inflation but also will compensate for potential inflation; 2) Raising the amount to \$500,000, as suggested by the PGA, would effectively eliminate this reporting requirement because few projects that have been reported exceeding this figure; 3) These reports alert the Commission to new construction. With the current practice of contracting out work, these reports provide the Gas Safety Division with an opportunity to inspect the contracted out work for compliance with required Federal and Commission safety

regulations. It also enables the Gas Safety Division to evaluate the operator's monitoring of the contractor's work. The cost of preparing these reports is not significant since the data required is information the operator must consider before undertaking the project.

Finally, the suggestion was made that a confidentiality requirement be added to these reports. Since the goal of the rulemaking was to clarify, simplify and remove excessive and burdensome requirements, this suggestion is denied. If confidentiality is required, a utility may ask for proprietary treatment of information. Therefore, the suggestion to eliminate the reporting requirement or raise it beyond the \$300,000 figure was denied.

§ 59.41. *Classification of gas public utilities.*

CEEP was the only commentator and supported the proposed changes.

§ 59.42. *System of accounts.*

CEEP filed the only comment and supported the changes.

§ 59.62. *Gas sales ban.*

Comments were received from IRRRC and CEEP. CEEP opposed the deletion asserting that this section is an emergency regulation that only applies during a time of shortage and consequently is not burdensome. CEEP relates that the regulation was not written as a one-time regulation, but was designed to be triggered whenever a gas supply shortage is predicted. IRRRC supported the recommended deletion. IRRRC stated that there is no qualifying language in the section which indicates that this section only applies under certain conditions. IRRRC further stated that this section includes several reporting requirements which may be burdensome to utilities. We agree with IRRRC's comment. Therefore, § 59.62 was deleted.

We have carefully considered all the comments filed to the proposed rulemaking. We believe this rulemaking as amended in consideration of the comments and attached hereto as Annex A, is consistent with the public interest and should be adopted by final order. Accordingly, under sections 501, 1501, 1504, 1507 and 1508 of the Public Utility Code, 66 Pa.C.S. §§ 501, 1501, 1504, 1507 and 1508, and the Commonwealth Documents Law (45 P. S. § 1201 et seq.), and regulations promulgated thereunder at 1 Pa. Code §§ 71.1—7.9, we amend our regulations in §§ 59.1—59.42 are amended as discussed and initially published at 26 Pa.B. 1370 set forth in Annex A attached to this order; *Therefore,*

It Is Ordered:

1. That the Commission's regulations at Chapter 59, are amended by amending §§ 59.1, 59.11, 59.15, 59.21, 59.26, 59.29, 59.33, 59.35, 59.38, 59.41 and 59.42 and by deleting § 59.62 to read as set forth in Annex A with ellipses referring to the existing text of the regulations.
2. That the Secretary shall submit this order and Annex A to the Office of Attorney General for approval as to legality.
3. That the Secretary shall submit this order and Annex A to the Governor's Budget Office for review of fiscal impact.
4. That the Secretary shall submit this order and Annex A for formal review by the designated standing committees of both houses of the General Assembly, and for formal review by IRRRC.

5. That the Secretary shall deposit this order and Annex A with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.

6. That the Secretary shall serve copies of this order and Annex A upon all parties that filed comments.

7. That these final-form regulations shall become effective August 3, 1998.

By the Commission

JAMES J. MCNULTY,
Secretary

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 28 Pa.B. 2463 (May 23, 1998).)

Fiscal Note: Fiscal Note 57-164 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 52. PUBLIC UTILITIES
PART I. PUBLIC UTILITY COMMISSION
Subpart C. FIXED UTILITY SERVICES
CHAPTER 59. GAS SERVICE
SERVICE AND FACILITIES

§ 59.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Customer meter—A customer meter is the meter that measures the transfer of gas from an operator to a consumer.

Distribution line—A pipeline other than a gathering or transmission line.

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Gathering line—A pipeline that transports gas from a current production facility to a transmission line or main.

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LNG—Liquefied natural gas—A natural gas or synthetic gas having methane (CH₄) as its major constituent which has been changed to a liquid or semisolid.

LNG facility—A pipeline facility that is used for liquefying or solidifying natural gas or synthetic gas or transferring, storing or vaporizing liquefied natural gas.

* * * * *

Main—A distribution line that serves as a common source of supply for more than one service line.

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Pipeline—All parts of those physical facilities through which gas moves in transportation, including pipe, valves and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders and fabricated assemblies.

* * * * *

Public utility service line—The pipe and appurtenances of the public utility which connect any main with either the point of connection of a service line of the customer if the line is provided by the customer in accordance with the rules and regulations of the public utility, or the meter of the public utility if the utility owns all the pipe and appurtenances between its main and meter.

SMYS—Specified minimum yield strength:

(i) For steel pipe manufactured in accordance with a listed specification, the yield strength specified as a minimum in that specification.

(ii) For steel pipe manufactured in accordance with an unknown or unlisted specification, the yield strength determined in accordance with 49 CFR 192.107(b) (relating to yield strength).

Service line—A distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer's piping, whichever is further downstream, or the connection to a customer's piping if there is no customer meter.

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Transmission line—A pipeline, other than a gathering line that does one of the following:

(i) Transports gas from a gathering line or storage facility to a distribution center or storage facility.

(ii) Operates at a hoop stress of 20% or more of SMYS

(iii) Transports gas within a storage field.

SERVICE AND FACILITIES

§ 59.11. Accidents.

(a) *General.* Each public utility shall submit a report of each reportable accident involving the facilities or operations of the public utility in this Commonwealth as provided in this section. The reports shall be addressed to the Secretary of the Commission.

(b) *Reportable accidents.* Reportable accidents are those involving utility facilities or operations which result in one or more of the following circumstances:

(1) An event that involves a release of gas from a pipeline or of LNG or gas from an LNG facility and one of the following:

(i) A death, or personal injury necessitating inpatient hospitalization

(ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000 or more.

(2) An event that results in an emergency shutdown of an LNG facility.

(3) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2).

(c) *Telegraphic reports.* A report by telephone or telegraph shall be made at once in the event of the occurrence of a reportable accident resulting in the death of a person, or in the event of an occurrence of an unusual nature.

(d) *Written reports.* A written report shall be made on Form UCTA-8 immediately following the occurrence of a reportable accident as defined in subsection (b). Accidents reportable to the Commission which reports are also required by the Bureau of Workmen's Compensation, Department of Labor and Industry, may be reported by transmitting a copy of the reports in lieu of a report on Form UCTA-8.

§ 59.15. Measurement of gas at higher than standard service pressure.

(a) *Pressure-recording equipment.* If gas is measured to customers through displacement meters at a pressure greater than standard service pressure, the meters shall be equipped with reliable pressure-volume recording

gauges or other devices for accurately determining the quantity of gas which has passed through the meter in accordance with contract or tariff provisions.

(b) *Determination of multiplier.* In computing the volume of gas at a given pressure base from a pressure-volume chart, the multiplier shall be obtained by the weighted average method, which consists of determining the average pressure for each indicated unit volume on the chart.

(c) *Fixed pressure factor measurement.* If the gas metering pressure can be maintained at a constant level so that it will not vary by more than plus or minus 1.0% of the absolute metering pressure, the quantity of gas corrected for pressure for billing purposes may be determined by multiplying the uncorrected volume by the factor of Metering Pressure Plus Atmospheric Pressure Divided by Base Pressure or by a special index with gearing to perform this calculation. The special index shall meet the specifications of ANSI Standard B109.1, § 6.2 (1986) or ANSI Standard B109.1, § 6.9 (1986). The ability of the regulator to maintain the constant pressure shall be verified at or prior to installation. Verification will be established by the use of a verified pressure-indicating gauge (accuracy: ANSI B40.1 Grade 3A), or a pressure-recording gauge, at both high and low flow conditions. When customer load is measured with a meter with a rated capacity of 1,500 cubic feet per hour or less, with metering pressure less than 3 psig, the performance of the regulator shall be verified in accordance with the test schedule of the downstream meter, established under § 59.21 (relating to meter tests). When customer load is measured with a meter with a capacity of over 1,500 cubic feet per hour or metering pressure of 3 psig or more, the performance of the regulator shall be verified at least every 5 years, except that those installed before January 1, 1990, shall be verified at least every 2 years.

(d) *Determination of static and differential pressure.* In computing the volume of gas at a given pressure base from an orifice meter chart, the average static pressure and the average differential pressure shall be determined for periods not exceeding 1 hour. If pressure variations are extreme during the hour, the average shall be determined for 15-minute intervals.

(e) *Mechanical devices.* Mechanical devices may be substituted for the method of computing orifice meter charts set forth in this section.

§ 59.21. Meter tests.

(a) *Test schedule for other than Class A, B and C meters.* Each public utility shall make and record tests of orifice, rotary displacement and turbine type service meters as follows:

* * * * *

(2) Rotary displacement meters shall be tested and calibrated at the factory in accordance with recognized and accepted practices and shall be correct to within 1.0% when passing gas at their rated capacities. A record of the test shall be made available to and retained by the utility for the life of the meter. At least once every 10 years' a differential-rate test shall be made and the results checked against the original test recorded at the time of installation. At least every 5 years' the meter shall be inspected to observe the condition of the meter bearings noise, vibration, and the like, and the level and condition of the oil in the reservoirs, except that those meters installed before January 1, 1990, shall be inspected every 2 years. An observed problem shall be promptly corrected. A record of the results of these 5 year tests or 2 year tests

for the pre 1990 installed meters shall be maintained by the utility for 5 years. In lieu of a differential-rate test, a test method approved by the Commission may be used.

* * * * *

§ 59.26. Refusal to serve applicants or customers.

(a) A public utility may initially decline to serve an applicant if, in the judgment of the utility, any of the following conditions are present:

(1) The applicant has not complied with Commonwealth and municipal regulations governing gas service, and with the rules and regulations of the utility.

(2) The installation of piping or gas equipment of the applicant is hazardous or improper.

(3) The service requested by the applicant is unreasonable and improper under the circumstances.

(b) A public utility may decline to serve an existing customer if, in the judgment of the utility, a hazardous condition exists regarding the piping or gas equipment of the customer.

§ 59.29. Gas pressure requirements for low-pressure distribution systems.

(a) *Maximum pressure.* The maximum pressure specified for a low pressure system may not be greater than a pressure which will not cause the unsafe operation of connected and properly adjusted gas utilization equipment or 14 inches of water column (8.1 ounces), whichever is less, at the outlet of the service meter of a low pressure customer.

(b) *Minimum pressure.* The minimum pressure at the outlet of a service meter of a low pressure customer may not be less than a pressure which will not cause the unsafe or inadequate operation of a connected and properly adjusted gas utilization equipment or 2 inches of water column (1.2 ounces), whichever is greater, unless due to insufficient capacity of the service line owned by the customer.

(c) *Changing pressure.* A public utility may change the distribution pressure for any system, but if a change is made, all appliances of a customer located within the system shall, if necessary, be readjusted by and at the expense of the utility.

(d) *Pressure gauges.* A public utility shall maintain and operate on the outlet side of the system regulator station, at least one recording gas pressure gauge of suitable range. If more than one regulator station is used to serve a single pressure system, recording pressure gauges need not be installed for each regulator station. A sufficient number of recording pressure gauges shall be installed and operated in each distribution system to furnish a continuous record of the pressure prevailing in all parts of the system.

§ 59.33. Safety.

(a) *Responsibility.* Each public utility shall at all times use every reasonable effort to properly warn and protect the public from danger, and shall exercise reasonable care to reduce the hazards to which employes, customers and others may be subjected to reason of its equipment and facilities.

(b) *Safety code.* Unless otherwise authorized by the Commission, the minimum safety standards for all gas transmission and distribution facilities in this Commonwealth shall be those issued under the pipeline safety laws as found at 49 U.S.C.A. §§ 60101—60503 and as implemented in 49 CFR Parts 191—193 and 199, includ-

ing all subsequent amendments thereto which have been reviewed by the Commission and ratified by an order published in the *Pennsylvania Bulletin* or alternatively served on all jurisdictional gas utilities. The date the Commission's order is entered, or in the case of publication, the date of publication in the *Pennsylvania Bulletin* shall serve as the effective date of the amendments.

(c) *Enforcement.* Each public utility shall be subject to inspections as may be necessary to assure compliance with this section. The facilities, books and records of each public utility shall be accessible to the Commission and its staff for the inspections. Each public utility shall provide the Commission or its staff the reports, supplemental data and information as it shall from time to time request in the administration and enforcement of this section.

(d) *Records.* Each public utility shall keep adequate records as required for compliance with the code in subsection (b). The records shall be accessible to the Commission and its staff.

§ 59.35. Increasing pressure in distribution facilities and transmission facilities.

A significant increase in the normal operating pressure of a distribution or transmission pipeline shall be made in accordance with 49 CFR Part 192, Subpart K (relating to uprating) as of May 1, 1986, and subsequent amendments thereto which have been ratified by the Commission under § 59.33 (relating to safety). A leak survey of mains and services shall be made prior to increasing the pressure initially and also following each incremental increase in pressure. Structures abutting or adjacent to the gas mains shall be inspected to confirm the utility's records as to the presence or absence of a gas service line on each property.

§ 59.38. Filing of major construction reports.

A public utility shall notify the Commission of proposed major construction, reconstruction or maintenance of plant at least 30 days prior to the commencement of work. Major construction, reconstruction or maintenance is defined for this reporting as a single project involving an expenditure in excess of \$300,000 or 10% of the cost of the utility's plant in service, whichever is less, production well drilling to be excluded. This notification of proposed construction shall include the following:

- (1) Description and location (city, township, county) of proposed work.
- (2) Type of facility (distribution main, transmission pipeline, compressor station, and the like).
- (3) Estimated starting date.
- (4) Estimated completion date.
- (5) Design pressure.
- (6) Estimated cost.
- (7) Name and address of reporting gas company.
- (8) Name, address and telephone number of person to be contacted regarding the project.
- (9) Notification to the Commission of the completion date.

ACCOUNTS AND RECORDS

§ 59.41. Classification of gas public utilities.

For accounting and reporting purposes, gas public utilities are classified as follows:

(1) *Major*. Public utilities having annual gas operating revenues of \$1 million or more.

(2) *Nonmajor*. Public utilities having annual gas operating revenues of less than \$1 million.

§ 59.42. Systems of accounts.

(a) Each major gas public utility shall keep its accounts in conformity with the "Uniform System of Accounts Prescribed for Natural Gas Companies (Major)" by the Federal Energy Regulatory Commission (18 CFR Part 201).

(b) Each nonmajor gas public utility shall keep its accounts in conformity with the "Uniform System of Accounts Prescribed for Natural Gas Companies (Non-

Major)" by the Federal Energy Regulatory Commission (19 CFR Part 201).

(c) A gas public utility with annual gas operating revenue of less than \$25,000 shall keep the accounts as will be adequately informative for reasonable and foreseeable regulatory purposes.

(d) This section applies to manufactured gas public utilities.

§ 59.62. (Reserved).

[Pa.B. Doc. No. 98-1057. Filed for public inspection July 2, 1998, 9:00 a.m.]