

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF PROPOSED NEW RULE 31)
TO THE RULES FOR GAS UTILITIES OF THE)
COLORADO PUBLIC UTILITIES COMMISSION,)
4 CODE OF COLORADO REGULATIONS 723-4,) DOCKET NO. 92R-270G
CONCERNING THE POTENTIAL FOR LOCAL)
GAS DISTRIBUTION COMPANIES TO USE)
EXCESS FLOW VALVES AND THE SAFETY)
ASPECTS OF EXCESS FLOW VALVES.)

**COMMISSION ORDER GIVING NOTICE OF PROPOSED RULEMAKING
CONCERNING EXCESS FLOW VALVES ADDING RULE 31 TO THE
COMMISSION'S RULES FOR GAS UTILITIES, 4 CODE OF COLORADO
REGULATIONS 723-4; AND NOTICE OF RULEMAKING HEARING FOR
OCTOBER 19 AND OCTOBER 20, 1992.**

Notice of Proposed Rulemaking Adopted Date: May 27, 1992

The Colorado Public Utilities Commission ("PUC" or "commission") hereby gives notice of proposed rulemaking. The commission will examine its Gas Utilities Rules, 4 Code of Colorado Regulation 723-7, for the potential for local gas distribution companies to use excess flow valves, and to study the safety aspects of excess flow valves.

An Excess Flow Valve is a device placed on a gas service line¹ a line which branches from the main gas line. The valve is designed to cut the supply of gas in the service line, if the service line is ruptured (e.g., cut during excavation operations.) Once

¹. The United States Department of Transportation, Office of Pipeline Safety, defines a "service line" to mean "a distribution line that transports gas from a common source of supply to (a) a customer meter or the connection to a customer's piping, whichever is farther downstream, or (b) the connection to a customer's piping if there is no customer meter. A customer meter is the meter that measures the transfer of gas from an operator to a consumer." 49 CFR § 192.3 (1990).

service is repaired, the small "bleed-by flow" allowed by the excess flow valve device equalizes the pressure in the line and the device automatically opens, allowing full flow conditions. It is important to note that the device is designed for catastrophic ruptures and will not operate for small, slow leaks in the line (i.e., corrosion leaks).

On October 20, 1990, the commission established Docket No. 90M- 644G as a repository for information concerning the safety aspects of excess flow valves. The Commission also allowed written comments to be filed and to be placed in Docket 90M-644G. The Colorado Public Utilities Commission investigated the potential for local gas distribution companies to use excess flow valves at a special open meeting on December 20, 1990. The National Transportation Safety Board; UMAC Inc., a manufacturer of excess flow valves; Public Service Company of Colorado; Greeley Gas Company; and the City of Colorado Springs made comments at the special open meeting.

The major issues that came out of the special open meeting process were the reliability of Excess Flow Valves, the cost of installing the valve, and system design concerns.. Public Service Company of Colorado stated in written comments filed after the special open meeting, that recent performance of excess flow valves other utilities indicated that reliability of excess flow valves was no longer a service concern.

Public Service Company of Colorado proposed in their written comments to conduct a pilot program where they would install a minimum of 100 Excess Flow Valves. The pilot program would be done in a location that was isolated which would minimize the immediate impact on their system operations and emergency procedures

The purpose of the pilot program was to help identify the total cost of the device, and provide a basis for reliability under Colorado's field conditions. Public Service Company of Colorado ("Public Service") began the pilot program in 1991. By July 1991,

Public Service had installed 5 excess flow valves. By the end of 1991, Public Service had installed 100 excess flow valves.

After over a year of experience with the excess flow valve pilot program, Public Service Company Of Colorado filed a report with the commission on April 8, 1992. In their written comments, Public Service Company of Colorado stated that it was encouraged by the improved performance, and potential safety, of excess flow valves. Further, Public Service Company of Colorado recommended:

- Public Service Company of Colorado should continue with the field pilot program. The objectives will be to prove the technology of other excess flow valve designs and to subject them to severe cold weather. An extended cold weather period should determine if the valves are prone to false closures due to load surges, or debris, or dust.
- Specific changes to engineering and operations standards need to be identified and implemented. Specific tracking methods, by paperwork and computer, need to be developed.
- Excess Flow Valves should not be purchased in large quantities until at least one other valve is commercially marketed.
- Laboratory testing should be performed on production model excess flow valves by Dresser and Driscopipe when available. Also, laboratory testing should be performed on the UMAC, Inc.'s high capacity valve for potential use on large residential and small commercial loads.
- The results of the U.S. Department of Transportation cost benefit study, since their database encompasses the entire nation, should be used in any Public Service Company Of Colorado policy-making.
- A discussion of cost allocation should be initiated with the Colorado PUC. The discussion is needed on the effect of excess flow valves on shareholders, customers (via ratebase), and homebuilders.

The commission agrees with Public Service Company Of Colorado that additional time should be given to the field pilot program to include the testing of additional excess

flow valves by other manufacturers . However, the commission also feels that the time has come to start rulemaking on excess flow valves. The rules on excess flow valves will not be effective until May 1, 1993 and will give Public Service Company Of Colorado the opportunity to continue the current field test, and to test excess flow valves other than the product manufactured by UMAC, Inc. For discussion purposes only, the commission will attach as Appendix "1" to this notice of proposed rulemaking an excess flow valve rule. The rule, if adopted as written or modified, would be new Rule 31 to Commission's Gas Utilities Rules, 4 Code of Colorado Regulations 723-4. The commission will file a notice of these proposed rules with the Office of Regulatory Reform during May 1992, because they may affect small businesses. The commission will send the notice of proposed rule-making to the Secretary of State, who will publish the notice in the Colorado Register on or about June 10, 1992. See Colorado Revised Statutes § 24-4-103.5 (1988 Repl. Vol.10A) (requiring 10-days advance notice to the office of regulatory reform); Colorado Revised Statutes § 24-4-103(3)(a) (1988 Repl. Vol.10A) (requiring a minimum of 20-days notice of hearing after publication by the secretary of state). The commission will conduct public hearings on the proposed new Rule 31 on Monday and Tuesday October 19 and 20, 1992 commencing each day at 9:00 o'clock a.m., unless otherwise ordered by the commission.

THEREFORE THE COMMISSION ORDERS THAT:

1. The Executive Secretary of the Colorado Public Utilities Commission shall file with the Colorado Secretary of State the necessary documents to allow for notice of the proposed new Rule 31 to the Commission's Rules for Gas Utilities, 4 Code of Colorado Regulations 723-4, to be published in the Colorado Register on or before June 10, 1992.

2. Chairman Arnold H. Cook, sitting as hearings commissioner, will conduct public hearings on the proposed rules as follows:

Date: Monday and Tuesday October 19 and 20, 1992.

Time: 9:00 o'clock a.m.

Place: Colorado Public Utilities commission
Logan Tower
1580 Logan Street, Office Level 2
Commission Hearing Room "A"
Denver, Colorado 80203

3. All parties wishing to participate in this docket may file an Entry of Appearance to be on the commission's official mailing list, and shall do so by October 2, 1992. It is not necessary to petition to intervene.

4. Initial comments on the proposed rules shall be filed on or before Friday October 9, 1992.

ADOPTED IN OPEN MEETING ON May 27, 1992.

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith
Bruce N. Smith
Executive Secretary
and Division Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ARNOLD H. COOK

GARY L. NAKARADO

CHRISTINE E. M. ALVAREZ

Commissioners

Dated: May 29, 1992.

RULES OF THE COLORADO PUBLIC UTILITIES COMMISSION CONCERNING THE FEDERAL PIPELINE SAFETY PROGRAM

BASIS, PURPOSE AND STATUTORY AUTHORITY

The basis and purpose for this rule is to comply with the mandates of the United States Department of Transportation (DOT) which requires state agencies which are certified as federal agents to the Federal Pipeline Safety Program to adopt and enforce DOT rules and to comply with § 40-2-115, C.R.S. The statutory authority for these rules is §40-2-108, C.R.S., which authorizes the Commission to promulgate rules necessary to properly administer and enforce Title 40, C.R.S. Gas corporations and pipeline corporations are public utilities under § 40-1-103(1)(a), C.R.S. The Commission may promulgate rules which are more stringent than federal rules.

RULE 31

Service lines: Excess flow valves.

An excess flow valve shall be installed in each new, and renewable residential and small commercial service lines where the anticipated inlet pressure to the service line and the customer load are within the operating limits of available flow limiting devices. It shall be installed at the connection to the main or common source of supply. "New services" are services which are installed in conjunction with main installed after the effective date of this rule. "Renewable services" are existing services that are being repaired.

Exception: Services with connected loads which may exceed the activation flow of available excess flow valves."

This rule will become effective on May 1, 1993.

REFERENCES

References to service regulators and service lines are found at 49 CFR, Part 192, Subpart H (1990) are Minimum Federal Safety Standards issued by the United States Department of Transportation, Office of Pipeline Safety.