

Michigan Office of Administrative Hearings and Rules

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**AGENCY REPORT TO THE
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

1. Agency Information

Agency name:

Licensing and Regulatory Affairs

Division/Bureau/Office:

Public Service Commission

Name of person completing this form:

Kelly Barber Dodge

Phone number of person completing this form:

517-284-8094

E-mail of person completing this form:

BarberDodgeK@Michigan.gov

Name of Department Regulatory Affairs Officer reviewing this form:

Elizabeth Arasim

2. Rule Set Information

MOAHR assigned rule set number:

2019-61 LR

Title of proposed rule set:

Technical Standards for Gas Service

3. Purpose for the proposed rules and background:

These rules apply to natural gas utility service provided by utilities that are subject to the jurisdiction of the Public Service Commission. The rules are intended to promote safe and adequate gas service to the public, to provide technical standards for uniform and reasonable practices by gas utilities, and to encourage efficiency and safety. Changes to these rules are supported by the Commission and by the regulated industry. The most significant issue these amendments will address is the out-of-date technical standards referenced in the current rules. In addition, to accommodate evolving conditions in the energy industry, a waiver provision has been added to the rules. The Commission is also proposing to update the rule concerning statistical sampling of customer meters to provide utilities the option to select among various standards for meter selection and testing. And, the Commission proposes to establish a standard for the allowable concentration of oxygen in natural gas to address concerns about corrosion and costly damage to gas storage facilities. Finally, the Commission is proposing a security rule to address concerns about cybersecurity. This proposed rule is largely identical to the cybersecurity rule that has been promulgated in the Technical Standards for Electric Service.

4. Summary of proposed rules:

This is a proposal to adopt and amend rules governing technical standards for gas service. These rules apply to gas utility service provided by utilities that are subject to the jurisdiction of the Public Service Commission. The rules are intended to promote safe and adequate gas service to the public, to provide standards for uniform and reasonable practices by utilities, and to encourage efficiency and safety. The amendments to the rules reflect the emerging technological advancements in the area of metering, metering equipment inspections, and tests. In addition, the Commission proposes removing references to obsolete equipment from the existing rules. The Commission also proposes to add a rule addressing cybersecurity and uniform reporting practices for the utilities.

5. List names of newspapers in which the notice of public hearing was published and publication dates:

Oakland Press, October 30, 2019
The Grand Rapids Press, October 30, 2019
The Mining Journal, October 30, 2019

The Commission also extended the written comment deadline by issuing an order on December 19, 2019. The Commission's order was presented at a public meeting and served on all those who previously commented. In addition, the order was made available after the public Commission meeting on December 19, 2019, in the Commission's Edocket system and the Commission also noted the extension in a December 19, 2019 press release.

6. Date of publication of rules and notice of public hearing in Michigan Register:

11/1/2019

7. Date, time, and location of public hearing:

11/13/2019 09:00 AM at Lake Michigan Hearing Room , 7109 W. Saginaw Hwy. Lansing, Michigan

8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:

https://dtmb.state.mi.us/ARS_Public/Transaction/RFRTransaction?TransactionID=72

9. List of the name and title of agency representative(s) attending public hearing:

Kelly Barber-Dodge, Michigan Public Service Commission

10. Persons submitting comments of support:

None

11. Persons submitting comments of opposition:

Aaron Adamczyk
Michigan Electric and Gas Association
Retail Energy Supply Association
Michigan Department of the Attorney General
DTE Gas Company
Citizens Utility Board of Michigan

12. Identify any changes made to the proposed rules based on comments received during the public comment period:

	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for change	Rule number & citation changed
1	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2341(2)(a): “B109.1-2000 (R2008)” to “B109.1-2019”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2341 (2)(a)
2	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2341(2)(c): “B109.3-2000 (R2008)” to “B109.3-2019”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2341 (2)(c)

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3	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2344(2)(b)(v): “(1992)” to “(2013)” and “AGA Catalog No XQ9210” to “AGA Catalog No. XQ1304”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2344 (2)(b)(v)
4	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2344(2)(b)(vii): “B109.1-2000 (R2008)” to “B109.1-2019” and “AGA catalog No. XQ0008” to “AGA Catalog No. X61902”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2344 (2)(b)(vii)

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5	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2344(2)(b)(ix): “ANSI B109.3-2000 (R2008)” to “ANSI B109.3-2019” and “AGA Catalog No. XQ0010” to “AGA Catalog No. XM1901”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2344 (2)(b)(ix)
6	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2344(2)(d)(i): “ANSI/ASQ Z1.9-2003 (R2013)” to “ANSI/ASQ Z1.9-2003 (R2018)”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2344 (2)(d)(i)

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7	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2344(2)(d)(ii): “ANSI/ASQ Z1.4-2003 (R2013)” to “ANSI/ASQ Z1.4-2003 (R2018)”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2344 (2)(d)(ii)
8	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2351a(2)(a): “ANSI B109.1-2000 (R2008)” to “ANSI B109.1-2019”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2351a (2)(a)

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9	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2351a(2)(c): “ANSI/ASQ Z1.9-2003 (R2013)” to “ANSI/AZQ Z1.9-2003 (R2018)”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2351a (2)(c)
10	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2351a(2)(d): “ANSI/ASQ Z1.4-2003 (R2013)” to “ANSI/ASQ Z1.4-2003 (R2018)”	The Commission finds that it erred in listing the reaffirmed year in Rule 51a(2)(d). Mr. Adamczyk’s comment correctly reflects the appropriate reference and, therefore, Rule 51a(2)(d) is amended to state, in pertinent part, “ANSI/ASQ Z1.4-2003 (R2018).”	R 460.2351a (2)(d)

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11	Aaron Adamczyk		Mr. Adamczyk proposed revisions to the references to standards reflected in the rules noting his changes in bolded blue text in the proposed rule set including: R 460.2354(5): “ANSI B109.1-2000 (R 2008)” to “ANSI B109.1-2019”	Many of the standards referenced in the amended rules are 10 to 20 years old. Given the existence of updated standards, modifying the references in the amended rules to the most current standard is reasonable and prudent as they most appropriately reflect current technologies and concerns.	R 460.2354 (5)
12	Michigan Electric and Gas Association		MEGA notes that they believe subsection (3) of R 460.2381 should read “must not contain more than 2% carbon dioxide or 5 parts per million oxygen.”	The Commission agrees that Rule 81 needs revision. The suggested revision to Rule 81 (3) is reasonable and prudent and reflects the Commission’s intent.	R 460.2381 (3)
13	DTE Gas Company		DTE Gas comments that, in R 460.2351(e)(i) “of” should be modified to state “less than”.	The Commission agrees with the DTE Gas that Rule 51(e)(i) should be revised and its proposed revision reflects the Commission’s intent.	R 460.2351 (e)(i)

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14	Attorney General		<p>The Attorney General comments that the rules would rescind R460.2363 but notes that the billing rules do not adequately address in the current rule such as refunds to previous ratepayers. Therefore, she recommends that Rule 63(1) not be rescinded.</p>	<p>The Commission agrees, in part. Rule 63 provides language addressing refunds to previous ratepayers which is not addressed in the billing rules. However, the Commission declines to retain the entirety of Rule 63(1) as it references additional rules being rescinded.</p>	R 460.2363

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15	Retail Energy Supply Association		RESA comments that the rules governing the technical standards for gas service do not apply to alternative gas suppliers (AGS) by definition. RESA notes that R 460.2324 (Rule 24), as drafted could be interpreted as applying to an AGS and therefore should be modified.	The Commission agrees that Rule 24 should be modified. This rule set does not apply to AGSs and Rule 24, as proposed, could be interpreted as applying to AGSs, which is not appropriate. The intent of Rule 24 was not to expand the rules to AGSs. Therefore, the definition of the term “gas provider” should be removed and each use of the term “gas provider” should be replaced with the term “utility” which is already defined in subsection (p) of R 460.2301.	R 460.2324
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13.Date report completed:

2/13/2020