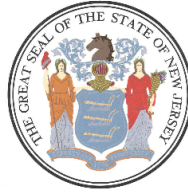


State of New Jersey
Governor Philip D. Murphy
Lt. Governor Sheila Y. Oliver



Joseph L. Fiordaliso
President

Mary-Anna Holden
Dianne Solomon
Upendra Chivukula
Bob Gordon
Commissioners

Board of Public Utilities



www.nj.gov/bpu/

NOTICE¹

IN THE MATTER OF THE PROPOSED READOPTION WITH SUBSTANTIAL AMENDMENTS TO N.J.A.C. 14:7 – NATURAL GAS PIPELINES

Docket No. GX22020048

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities (NJBP or Board) hereby gives notice of a virtual Stakeholder Meeting to solicit input from the public and interested parties on the proposed re-adoption with amendments of rules at N.J.A.C. 14:7 which govern natural gas pipelines. The Board is considering potential rule amendments to N.J.A.C. 14:7, a summary of which can be found attached to this Notice.

STAKEHOLDER MEETING

DATE: Monday, April 25, 2022

TIME: 10:00 a.m.

LOCATION: Zoom Virtual Webinar

REGISTER: https://us06web.zoom.us/webinar/register/WN_3y2xhPrAQIy45uCvHnmPHQ

The deadline for comments on this matter is 5:00 p.m. ET on Wednesday, May 25, 2022. Please submit comments directly to the specific docket linked above using the Board's [Public Document Search](#) tool and the "Post Comments" button. Comments are considered "public documents" for purposes of the State's Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. Written comments may also be submitted to:

Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Carmen D. Diaz
Carmen D. Diaz
Acting Secretary

Dated: April 13, 2022

¹ Not a paid legal advertisement.

PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES

NATURAL GAS PIPELINES

Proposed Readoption with Amendments: N.J.A.C. 14: 7

Proposed Amendments: N.J.A.C. 14:7-1.1, 1.1A, 1.9,1.10,1.11,1.17,1.20, 1.22, 1.24, 1.26 and 2.7

Proposed New Rule: N.J.A.C. 14:7-1.19

Authorized By: New Jersey Board of Public Utilities, Joseph L. Fiordaliso, President, Mary-Anna Holden, Dianne Solomon, Upendra Chivukula, and Robert M. Gordon, Commissioners.

Authority: N.J.S.A. 48:2-13, 48:2-73 et seq., 48:9-33, and 48:10-2 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number: GX22020048

Proposal Number:

The deadline for comments on this matter is 5:00 p.m. on _____, 2022. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's [Public Document Search tool](#), by searching for the specific docket listed above and using the "Post Comments" button. Written comments may also be submitted. Please include subject matter and docket number and submit to:

Secretary of the Board

New Jersey Board of Public Utilities

44 South Clinton Ave., 1st Floor

P.O. Box 350

Trenton, NJ 08625-0350

Attn: BPU Docket No. GX22020048

Phone: 609-292-1599

Email: board.secretary@bpu.nj.gov

All comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting it in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

The agency proposal is as follows:

**Subchapter 1. Construction, Operation and Maintenance of Transmission and Distribution
Natural Gas Pipelines**

N.J.A.C. 14:7-1.1 sets forth the purpose and scope of the subchapter. A reference to the Code of Federal Regulations has been added.

N.J.A.C. 14:7-1.1A provides definitions for key words and terms used in the subchapter. Definitions for “Flowable fill”, “Gas” and “Lower Explosive Limit” have been added. The definition for "Covered task" has been clarified.

N.J.A.C. 14:7-1.2 requires compliance with the Federal natural gas pipeline requirements. No changes are proposed.

N.J.A.C. 14:7-1.3 details requirements for the classification of pipeline locations. No changes are proposed.

N.J.A.C. 14:7-1.4 prohibits the installation of certain natural gas pipelines near buildings intended for human occupation without prior Board approval. No changes are proposed.

N.J.A.C. 14:7-1.5 is reserved.

N.J.A.C. 14:7-1.6 ensures quality control of field welding and requires oversight by qualified welding inspectors and requires that a copy of the applicable welding procedures be available at the job site. No changes are proposed.

N.J.A.C. 14:7-1.7 provides requirements, supplemental to the Federal Code standards, for the construction of gas pipelines. No changes are proposed.

N.J.A.C. 14:7-1.8 requires compliance with State transportation agency standards for pipelines that cross railroads or highways and sets forth requirements for gas pipelines located under or adjacent to railroads or highways. No changes are proposed.

N.J.A.C. 14:7-1.9 governs the spacing of sectionalizing distribution valves. The subchapter has been amended to also govern “emergency response drills.”

N.J.A.C. 14:7-1.10 sets forth the requirements for valve assessments and emergency closure plans for transmission pipelines. Section (f) has been amended to clarify when emergency drills shall take place.

N.J.A.C. 14:7-1.11 details requirements for pipe installation. The subchapter has been amended to include the use of flowable fill and clarify the use and size of tracer wire.

N.J.A.C. 14:7-1.12 sets standards for the depths at which natural gas pipelines must be installed. No changes are proposed.

N.J.A.C. 14:7-1.13 requires that any portion of a natural gas pipeline that protrudes above ground be conspicuously marked or protected against damage. No changes are proposed.

N.J.A.C. 14:7-1.14 details pressure testing requirements for natural gas transmission and distribution pipelines. No changes are proposed.

N.J.A.C. 14:7-1.15 requires that all electric equipment and wiring in meter, regulator, and gate stations be designed and installed in accordance with all applicable provisions of the National Electrical Code and ANSI/NFPA 70. No changes are proposed.

N.J.A.C. 14:7-1.16 provides odorization requirements for natural gas pipelines. No changes are proposed.

N.J.A.C. 14:7-1.17 requires service interruption reporting. The word “accidents” is changed to “incidents” in the heading. Revises the reporting requirements for incidents and accidents and for service interruptions.

N.J.A.C. 14:7-1.18 requires 45 calendar days’ notice to the Board prior to construction or reconstruction of a high pressure natural gas pipeline. No changes are proposed.

N.J.A.C. 14:7-1.19 is a new rule requiring pipeline operators to classify the severity of natural gas leaks in a standardized manner and to conduct leak repairs within a prescribed time period.

N.J.A.C. 14:7-1.20 requires monthly patrols of pipelines in Class 3 and 4 locations. The requirement for more frequent leak surveys has been revised.

N.J.A.C. 14:7-1.21 requires that each transmission pipeline operator establish and maintain liaison, including offering annual meetings, with fire and police officials and other appropriate emergency services personnel. No changes are proposed.

N.J.A.C. 14:7-1.22 requires operator efforts to provide on-site inspection during excavations related to the one-call system. Adds a requirement for on-site inspection of directional drill projects in close proximity to transmission and distribution facilities.

N.J.A.C. 14:7-1.23 requires approval of operating and maintenance standards and revisions. No changes are proposed.

N.J.A.C. 14:7-1.24 requires operator oversight of construction, including inspections of pipe installations, and daily inspections of contractor crews. Amends heading to include operations and maintenance activities. Clarifies those individuals who may perform an activity which is a covered task.

N.J.A.C. 14:7-1.25 sets forth requirements for horizontal directional drilling (HDD) operations, including operator development of HDD guidelines, plan and profile drawings, test holes, and procedures for crossing other underground facilities. No changes are proposed.

N.J.A.C. 14:7-1.26 sets forth various reporting requirements. Adds new reporting requirements for LNG facilities, transmission pipeline integrity digs, and maximum allowable operating pressure exceedances.

N.J.A.C. 14:7-1.27 through 1.37 are reserved.

Subchapter 2. Probable Violations, Informal Conferences, Civil Administrative Penalties and Adjudicatory Hearings

N.J.A.C. 14:7-2.1 sets forth the scope of the subchapter. No changes are proposed.

N.J.A.C. 14:7-2.2 establishes the procedure by which the Board will issue a notice of probable violation (NOPV). No changes are proposed.

N.J.A.C. 14:7-2.3 details the response procedures for alleged violators to NOPVs. No changes are proposed.

N.J.A.C. 14:7-2.4 sets forth the procedure the Board will follow if the alleged violator fails to submit the Answering Certification included in the NOPV. No changes are proposed.

N.J.A.C. 14:7-2.5 provides for Board issuance of an Administrative Order and Notice of Civil Administrative Penalty Assessment (AONOCAPA) and allows for adjudicatory hearing requests. No changes are proposed.

N.J.A.C. 14:7-2.6 details the requirements for the request and grant or denial of adjudicatory hearings. No changes are proposed.

N.J.A.C. 14:7-2.7 establishes standards for the Board's calculation of the amount of civil administrative penalties within statutory ranges. Revises the penalty amount from an actual dollar figure to a reference to the Code of Federal Regulations.

As the Board has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements set forth at N.J.A.C. 1:30-3.1 and 3.2, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The rules proposed for readoption with amendments and new rules have a significant positive social impact on the residents of New Jersey. The rules govern all aspects of the siting, construction, installation, and operation of natural gas pipelines. Natural gas is a commonly used energy source, but is extremely dangerous if handled improperly. Therefore, these rules provide a social benefit in that residents are afforded safe, adequate and proper natural gas service. Ensuring the safety of New Jersey's natural gas pipelines is an ongoing process that demands the highest level of attention from the Board, as well as the pipeline operators that control the pipelines. The Board constantly looks for ways to improve both the reliability and safety of natural gas pipelines and the Board will, after notice and an opportunity for comment, amend the rules when necessary to effectuate positive benefits to the residents of New Jersey, as is being done with these rule amendments and new rules.

Economic Impact

The rules proposed for readoption with amendments and new rules will require natural gas pipeline operators, as they have in the past, to incur incremental safety-related expenses in the installation, operation and maintenance of natural gas pipelines. See the Federal Standards Analysis below for a further description of likely compliance costs. These costs are justified by the benefits generated by increased safety to the public and property and improvement to the environment through the reduction in leak related methane emissions. Finally, pipeline operators subject to the jurisdiction of the Board will be allowed to recover all reasonable, prudent and supportable levels of costs through rates charged to customers.

Federal Standards Analysis

Executive Order No. 27 (1994), and P.L. 1995, c. 65 (N.J.S.A. 52:14B-22 through 24), require State agencies that adopt State rules, which exceed any Federal requirements to include in the rulemaking document a comparison with Federal law. The Federal law that corresponds to these rules is found in the regulations of the United States Department of Transportation at 49 CFR 190, 191, 192, 193, 198, and 199. This proposed readoption of N.J.A.C. 14:7 with amendments and new rules is comparable with the corresponding Federal law in all but the areas discussed below.

The State system for designing pipelines based on the class location in relation to population density, found at N.J.A.C. 14:7-1.3, requires all pipelines installed after the effective date of the proposed amendments to be designed to Class 4 pipeline location standards, the highest standard for similar pipelines designed under the Federal classification system at 49 CFR 192.5. This may result in some costs for pipeline operators, although most have voluntarily chosen to

meet higher standards than Federally required. To the extent that costs are incurred, the Board has determined that these costs are justified in order to ensure safety.

The Board's rules governing the quality control of field welding, found at proposed N.J.A.C. 14:7-1.6(a) and (b), are more stringent than corresponding Federal regulations at 49 CFR 192.225 and 192.241. N.J.A.C. 14:7-1.6(a) and (b) require oversight of field welding by qualified welding inspectors and require that a copy of the applicable welding procedure be readily available at the job site for natural gas pipelines with a maximum operating pressure in excess of 250 psig. These requirements are not part of the Federal regulations. However, the Board believes they are necessary to ensure safety.

The Board's rules governing fabrication details, found at proposed N.J.A.C. 14:7-1.7(c) and (d), are more stringent than corresponding Federal regulations at 49 CFR 192.155 and 192.151. N.J.A.C. 14:7-1.7(c) requires that branch connections for transmission pipelines fabricated by welding be of the reinforced type, whereas the Federal regulations at 49 CFR 192.155 do not require reinforced type branch connections. However, the Board believes that reinforced type branch connections significantly increase the level of pipeline safety. N.J.A.C. 14:7-1.7(d) states that line taps may be made under pressure in the sizes and at the pressure at which the line tapping equipment is recommended for use by the manufacturer. The Federal regulations do not address line tapping equipment.

The Board's rules governing the spacing of sectionalizing distribution valves, found at N.J.A.C. 14:7-1.9(a) and (b), are more stringent than corresponding Federal regulations at 49 CFR 192.181. Sectionalizing valves allow a pipeline operator to stop the flow of gas through a section of pipeline in cases of pipeline failure or emergency. The Federal regulation for high-pressure distribution systems requires valves to be spaced "so as to reduce the time to shut down a section

of main in an emergency" and states that the spacing shall be determined by operating pressure, pipe size, and local physical conditions.

N.J.A.C. 14:7-1.9(b) requires that, in determining the number and spacing of sectionalizing valves, a pipeline operator shall consider: 1) the operating pressure of the system; 2) diameter of the pipe; 3) volume of gas that could be released to the atmosphere; 4) the accessibility of the valve location; 5) the response time capabilities of the operator; and 6) the number of customers affected by an emergency shutdown, in addition to the Federal requirements. Also, N.J.A.C. 14:7-1.9(c) requires the operator to evaluate the number and spacing of all its sectionalizing valves. To the extent that this rule requires an operator to install and maintain more valves, there will be some costs incurred. However, the Board has determined that the amendment is necessary to ensure the protection of people, property and the environment in the event of pipeline failure or emergency, especially in densely populated areas.

Additionally, proposed N.J.A.C. 14:7-1.9(f) and (g) requires operators to conduct emergency response drills simulating a significant incident at least once every twenty-four months in each operator district/division. As with the more stringent valve requirement, the emergency response drill requirement reflects the potential consequences caused by a significant pipeline incident in densely populated areas of New Jersey.

N.J.A.C. 14:7-1.11 governing the installation of pipe and its requirements are more stringent than corresponding Federal regulations at 49 CFR 192.325. N.J.A.C. 14:7-1.11(a) requires all gas pipelines to be installed with at least 12 inches separation from any other subsurface structure or facility, whereas the corresponding Federal regulations require 12 inches separation only for the installation of transmission pipelines. N.J.A.C. 14:7-1.11(g)1 and 2 specify the size and type of wire required for tracer wire on plastic pipe installations. These specifications are more

stringent than the corresponding Federal regulations at 49 CFR 192.321, which do not govern the size and type of wire. Additionally, proposed N.J.A.C. 14:7-1.11(e) requires a minimum of 12 inches of separation between pipelines and flowable fill when it is used as a backfill material. Proposed N.J.A.C. 14:7-1.11(h) requires that the operator install one 24-inch wide warning tape or two 12-inch wide tapes above pipelines that are 20 inches to 30 inches in diameter. Federal regulations are silent on warning tape requirements and using flowable fill as a backfill material; however, warning tape has been required in New Jersey and is useful as an additional safety mechanism for damage prevention.

The Board's rules governing minimum cover of mains and service lines found at N.J.A.C. 14:7-1.12 are more stringent than corresponding Federal regulations at 49 CFR 192.327 and 192.361. N.J.A.C. 14:7-1.12(a) and (b) require 30 inches cover over distribution mains and 48 inches cover over transmission pipelines, respectively, in comparison with Federal regulation requirements, at 49 CFR 192.327, of 24 inches cover over distribution mains and 36 cover over transmission pipelines. In addition, N.J.A.C. 14:7-1.12(d) requires 18 inches cover over gas service lines, whereas Federal regulations at 49 CFR 192.361, require 12 inches of cover in private property and 18 inches of cover in streets and roads. To the extent that this rule requires an operator to install pipelines at increased depths of cover, there are some costs incurred. However, the Board has determined that these costs are justified as a measure of damage prevention and to ensure the protection of people, property and the environment, especially in densely populated areas.

N.J.A.C. 14:7-1.16 provides odorization requirements for pipelines. N.J.A.C. 14:7-1.16(c) requires a pipeline operator to make periodic tests to determine the adequacy of the odorization of the gas. These periodic tests are required to be performed monthly. Federal regulations at 49 CFR 192.625 require only periodic sampling but do not specify a time interval. To the extent that costs

are incurred by requiring monthly tests, the Board has determined that these costs are justified in order to ensure the safety of the public. Proposed N.J.A.C. 14:7-1.19(a), (b), (c) and (d) requires operators to uniformly classify and complete repairs of all leaks by a date certain according to the severity of the leak. To remove the uncertainty and inconsistency in assigning a priority level and the time interval for completing repairs, N.J.A.C. 14:7-1.19(a) provides a leak grade classification requirement according to the severity of the leak and a timeframe for completing repairs, taking into account the severity of the leak.

These requirements are not found in the Federal regulations but the Board's experience with leaks indicates that they are necessary for both public safety and reducing statewide methane emissions; thus mitigating the potential hazard that leaks pose to the environment. To the extent that costs are incurred, the Board has determined that these costs are justified in order to ensure public safety and improve the environment.

N.J.A.C. 14:7-1.20(b) requires leak detection surveys on bare and cathodically unprotected steel distribution lines consistent with the requirements of Federal regulations at 49 CFR 192.723. In addition, N.J.A.C. 14:7-1.20(b) requires an operator to perform more frequent surveys as the operator deems necessary based on leak history, leaks discovered by the public and operating pressure. This provides an extra measure of safety in the densely populated areas that typify New Jersey.

N.J.A.C. 14:7-1.22 requires damage prevention efforts consistent with the requirements of Federal regulations at 49 CFR 192.614. In addition, N.J.A.C. 14:7-1.22(c) requires an operator to take additional measures when the operator becomes aware of potential high risk excavations, such as performing on-site inspection, coordinating with the excavator, continuing surveillance, and checking/verifying clear access to gas valves that may be operated in an emergency. Also, an

operator must provide training for operator personnel in preparation for potential high risk excavations around underground natural gas facilities. These stringent requirements reflect the importance of careful supervision of excavation around natural gas facilities, in consideration of the highly developed and densely populated nature of New Jersey.

N.J.A.C. 14:7-1.23 provides an administrative procedure for pipeline operators to obtain approval from the Board of additions and revisions to their operation and maintenance procedures. The Federal standards do not require this. This section will enable the Board to review such proposed changes before they become operator policy, and to ensure that any cost-cutting measures do not compromise the safety of a natural gas pipeline.

N.J.A.C. 14:7-1.24 provides for oversight of construction activity. N.J.A.C. 14:7-1.24(c), (d) and (e) contain requirements for quality assurance/quality control inspection, inspection and calibration of all equipment used on construction, operations, and maintenance activities, and joint trench pipe inspections, respectively. These requirements exceed the Federal regulation requirements, although quality assurance/quality control measures are implied by various Federal regulations. The incremental cost of careful quality assurance/quality control is justified by the dense population of New Jersey, as well as the heavy development, which results in a large number of underground facilities.

N.J.A.C. 14:7-1.25 requires a pipeline operator to develop guidelines for horizontal directional drilling (HDD) operations, including establishing minimum clearances when drilling in proximity to existing subsurface facilities, requirements for test hole excavations, verification of drilling/reaming head location during HDD operations, ensuring the integrity of plastic pipe installed by HDD, supporting pipe during HDD operations, and on-site inspection for HDD installations. These requirements are not found in the Federal regulations but the Board's

experience with HDD, including several recent incidents involving inadvertent return, indicates that they are necessary for safety in New Jersey.

N.J.A.C. 14:7-1.26 requires pipeline operators to submit several types of reports regularly to the Board. Proposed N.J.A.C. 14:7-1.26(f) and (g) are two additional types of reports that require operators to notify the Board prior to performing integrity digs and notify the Board when overpressure events occur on any pipeline system. This exceeds the Federal requirements that only require notifications of overpressure events on transmission systems. These two reports will enable the Board to achieve greater visibility of transmission integrity issues and overpressure events in New Jersey.

Jobs Impact

The rules proposed for re Adoption with amendments and new rules are likely to have a negligible impact on jobs in New Jersey. The rules set forth safety practices that must be followed in the siting, construction, installation, and maintenance of natural gas pipelines. Most of these practices are required under existing Federal law, and these rules primarily implement these Federal requirements. Therefore, any impact on jobs caused by these safety requirements will already have been felt as natural gas pipeline companies moved into compliance with the underlying Federal requirements. While there are some areas in which these rules are more stringent than Federal requirements (see the Federal Standards Analysis above), the Board expects that this will have only an incremental impact on jobs. To the extent that jobs are affected, the rules are likely to increase employment of inspectors and other natural gas company employees and/or consultants.

Agriculture Industry Impact

The rules proposed for re adoption with amendments and new rules will have no impact on the agriculture industry in New Jersey. While many natural gas pipelines cross agricultural areas, these rules apply to construction practices, installation, inspection and similar safety related activities, and do not affect the location of the pipelines within New Jersey.

Regulatory Flexibility Statement

In accordance with the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. (the Act), the Board has determined that the rules proposed for re adoption with amendments and new rules will not impose reporting, recordkeeping or other compliance requirements on any small businesses as that term is defined in the Act. Most intrastate pipelines located in New Jersey are operated by the four local distribution companies (LDCs) currently subject to the jurisdiction of the Board, which all have more than 100 full-time employees. Other pipelines may be operated by large industrial businesses, such as power plants, which are also not small businesses under the Act. A small minority of pipeline operators in New Jersey are small businesses. However, because smaller pipelines are operated at lower pressures, these rules do not apply to them.

Smart Growth Development Impact

The Board anticipates that the rules proposed for re adoption with amendments and new rules will have no impact on either the achievement of smart growth or the implementation of the State Development and Redevelopment Plan. The State Plan is intended to "provide a coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions" and to "identify areas for growth, agriculture, open space conservation and

other appropriate designations." N.J.S.A. 52:18A-199a. "Smart growth is based on the concepts of focusing new growth into redevelopment of older urban and suburban areas, protecting existing open space, conserving natural resources, increasing transportation options and transit availability, reducing automobile traffic and dependency, stabilizing property taxes, and providing affordable housing." While the location of infrastructure, such as natural gas pipelines can significantly affect the location of new development, these rules apply to construction practices, installation, inspection and similar safety related activities, and do not affect the location of the pipelines within New Jersey. Thus, the rules do not affect the location of future development, and the rules proposed for readoption with amendments and new rules will not impact smart growth or the State Plan.

Housing Affordability Impact

The rules proposed for readoption with amendments and new rules will have an insignificant impact on affordable housing in New Jersey because the scope of the rules is limited to safety requirements for natural gas transmission and distribution pipelines. There is an extreme unlikelihood that the safety requirements in the rules proposed for readoption with amendments, new rules and repeals would evoke a change in the average costs associated with housing, because the cost of constructing, operating and maintaining natural gas transmission and distribution infrastructure is so small a component of housing prices as to have virtually no effect on the housing market.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Board has evaluated the rules proposed for readoption with amendments and new rules and determined that it will not have an impact on pretrial, detention, sentencing, probation, or

parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 14:7.

Full text of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 7. NATURAL GAS PIPELINES

SUBCHAPTER 1. CONSTRUCTION, OPERATION AND MAINTENANCE OF TRANSMISSION AND DISTRIBUTION NATURAL GAS PIPELINES

14:7-1.1 Scope and applicability

(a) This chapter sets forth requirements that govern the construction, operation and maintenance of transmission and distribution pipelines for the transportation of natural gas by intrastate [natural gas] operators within the State of New Jersey.

(b) Unless specified otherwise, all provisions of this chapter apply to natural gas pipelines used in both distribution and transmission of natural gas **as these terms are defined in the Code of Federal Regulations referenced as the Federal Code below under N.J.A.C. 14:7-1.1A.**

(c)-(d) (No change.)

14:7-1.1A Definitions

For the purposes of this chapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this chapter can be found at N.J.A.C. 14:3-1.1 and in 49 CFR 190.3, 191.3, 192.3, 193.3, 198.3 and 199.3, which are incorporated by reference herein.

...

"Covered task" means an activity, identified by the operator, that is performed on a pipeline facility; is an operation, maintenance or new construction task; is performed as a requirement of 49 CFR Part 192; and affects the operation or integrity of the pipeline.

"Flowable fill" means a self-compacting cementitious slurry or controlled low strength material used as a fill or backfill in lieu of compacted clean soil backfill.

"Gas" has the meaning assigned to this term in the Federal code at 49 CFR 192.3.

"Lower Explosive Limit" (LEL) means the lower limit of the combustible range of gas concentration in air that will burn in the presence of an ignition source. LEL is expressed as a percentage of the minimum concentration for the gas to ignite as measured by the operator's leak detection device.

...

14:7-1.2 Compliance with Federal Code

(No change.)

14:7-1.3 Classification of pipeline locations

(No change.)

14:7-1.4 Proscribed areas

(a)-(c) (No change.)

14:7-1.5 (Reserved)

14:7-1.6 Quality control of field welding

(a)-(b) (No change.)

14:7-1.7 Fabrication details

(a)-(d) (No change.)

14:7-1.8 Pipelines near railroads and highways

(a)-(b) (No change.)

14:7-1.9 Distribution system valve requirements **and emergency response drills**

(a)-(e) (No change.)

(f) A distribution system emergency response drill, simulating a significant incident as defined in 49 C.F.R. 191.3, shall be performed by an operator in each operator district/division at least once every twenty-four months. Each Call Center and/or Dispatch Operation Center shall participate in at least one emergency response drill every twenty-four months. Each district/division emergency response drill shall not be conducted within two weeks of another district/division emergency response drill. Effective December 17, 2022, the operator shall conduct a site-specific emergency response drill at a training center facility or field site during the first twenty-four month period. Emergency response drills shall take place between Monday and Friday of the work week during normal business hours. After the first twenty-four month period, an operator may conduct a table-top

emergency response drill to meet this requirement for no more than two out of three consecutive emergency response drills for each district/division.

(g) An operator shall notify Board staff at least five business days prior to performing any emergency response drill under (f) above. Notwithstanding this requirement, an operator may schedule an emergency response drill on a rainy day (or similar weather event), upon notice to Board staff as soon as possible prior to the drill, but no later than two hours before the drill is to occur. A final audit report of each emergency response drill shall be submitted to Board staff within two months after the emergency response drill is performed.

14:7-1.10 Valve assessment and emergency closure plan--transmission pipelines

(a)-(e) (No change.)

(f) An emergency closure drill that simulates shutting down a selected section of transmission line shall be performed at least once in a calendar year, but within an interval not to exceed 15 months.

Emergency closure drills shall take place between Monday and Friday of the work week during normal business hours. The operator may conduct a table-top emergency closure drill to meet this requirement for no more than two out of each three calendar years. The operator shall conduct a site-specific emergency closure drill at a field site at least once in every three calendar years.

(g)-(k) (No change.)

14:7-1.11 Installation of pipe

(a)-(d) (No change.)

(e) Where flowable fill is used as a backfill material in lieu of clean soil, it shall not come in direct contact with the pipe and must maintain a minimum of 12 inches of separation from the pipe.

[e](f) Whenever pipe coating is applied, the pipeline operator shall take the following additional precautions:

1. Tests and inspections shall be made before backfill to ensure that the coating is adequate and satisfactory; and
2. During backfill, precautions shall be taken to ensure the coating is not damaged.

[f](g) [Any] **Effective December 17, 2022**, tracer wire **shall be** installed [for locating plastic] **on all new or replacement plastic pipe installations. If the installation of tracer wire is impractical, the operator must obtain prior approval from the Board's Bureau of Pipeline Safety to use an alternative means of locating plastic pipes. All pipelines installed with tracer wire** [in accordance with 49 CFR 192.321] shall meet the following requirements, as applicable:

1. Where tracer wire is installed by direct burial, the tracer wire shall be a minimum of #12 AWG solid copper wire with a polyethylene coating, **or another coating approved by the operator, or other type of tracer wire that has been demonstrated to provide an equivalent or superior level of service** [another coating approved by the operator]; and/or
2. Where tracer wire is installed by boring or drilling, the tracer wire shall be #10 AWG solid copper wire with a polyethylene coating, or another coating approved by the operator[.]; **or other type of tracer wire that has been demonstrated to provide an equivalent or superior level of service; and**
3. **Tracer wire installed on new or replacement plastic pipes may not be wrapped around the pipe, and direct contact with the pipe must be minimized.**

[g](h) An operator shall place a yellow subsurface marking or warning tape in the backfill material above a transmission or distribution pipeline whenever the pipeline is installed, repaired or replaced, except that this requirement shall not apply to a transmission or distribution pipeline that is being installed, repaired or replaced using techniques that do not disturb the backfill above the pipeline, such as directional drilling, insertion or boring.[For pipes of less than 16 inches in diameter, the operator shall install one 12-inch wide tape, or two six-inch wide tapes installed side by side.] **For pipes of less than 12 inches in diameter, the operator shall install one six-inch wide tape. For pipes of 12 inches to 18 inches in diameter, the operator shall install one 12-inch wide tape, or two six-inch wide tapes installed side by side. For pipes of 20 inches to 30 inches in diameter, the operator shall install one 24-inch wide tape, or two 12-inch wide tapes installed side by side. For pipe diameter larger than 30 inches, the operator shall obtain prior approval from the Board's Bureau of Pipeline Safety on the size and type of subsurface marking or warning tape to be used.**

14:7-1.12 Minimum cover over natural gas pipelines

(a)-(d) (No change.)

14:7-1.13 Projections

(No change.)

4:7-1.14 Pressure testing

(a)-(f) (No change.)

14:7-1.15 Meter and regulator stations: electric installations

(No change.)

14:7-1.16 Odorization

(a)-(e) (No change.)

14:7-1.17 [Accidents] **Incidents** and service interruptions—reporting

(a) This section applies to pipeline operators as defined in 14:7-1.1A. Should there be any inconsistency between the reporting procedures at N.J.A.C 14:3-3.7 and 14:3-6.4 through 6.6, and those of this subchapter, this subchapter shall govern.

[a]**(b) Each gas pipeline operator shall [comply with the procedures for reporting accidents, set forth at N.J.A.C. 14:2-4.4, and 14:3-6.4, 6.5 and 6.6] notify the Board's Division of Reliability and Security of any reportable incident immediately, and in no event later than one hour after the operator learns of the incident.**

(c) A reportable incident is an incident that meets any of the following:

- 1. The definition of an incident as defined in 49 CFR 191.3, which is incorporated herein by reference, as amended and supplemented;**
- 2. An incident that is related to equipment or operations, other than a motor vehicle accident that does not create a service interruption, which results in one or more of the following circumstances:**
 - i. Death of a person;**
 - ii. Serious disabling or incapacitating injuries to persons, including employees of the utility or its contractors;**

- iii. **Damage to the property of the utility, which materially affects its service to the public;**
- iv. **Damage to the property of others amounting to more than \$5,000; and/or**
- v. **Any accidental ignition of natural gas.**

(d) The initial notice required under (b) above shall include all relevant facts that are known to the operator about the location and cause of the incident, and the extent of damage and/or injuries, if any.

(e) The initial notice required under (b) above shall be followed by additional notices providing any further information about the incident that the operator obtains. These additional notices shall be provided to Board staff as soon as practicable after the information becomes available, by any feasible means, and shall contain all available information that may enable Board staff to assist the operator in minimizing the impact of the incident.

(f) If the initial notification required under (b) above is not given because the operator does not consider the incident reportable, and it subsequently develops that the incident is reportable, the operator shall notify the Board's Division of Reliability and Security immediately after it has ascertained that such incident is reportable. Failure to demonstrate that it was not possible to have provided timely, complete and accurate notice to the Board may subject the operator to enforcement action by the Board.

(g) After the initial incident reporting required under (b) above, the operator shall provide a follow-up report of each reportable incident within 15 days after the incident.

(h) The follow-up incident report shall include all of the information required by the sample incident reporting form made available by the Board's Bureau of Pipeline Safety upon request. The form shall require basic identifying and descriptive information concerning the

incident, its causes and consequences, the extent of damage and/or injuries, if any, and persons involved; and shall also include corrective measures the operator plans or has taken and preventive measures the operator has taken or will take to avoid similar incidents in the future.

(i) If at the time of the submission of the follow-up incident report the operator is unable to state the corrective measures taken or make recommendations to avoid a recurrence of the incident, the operator shall within 30 days of the date of the incident file an amended report, which shall set forth the aforementioned corrective measures and recommendations.

(j) Incident reports may be used by the Board in determining what safety practices should be recommended. In a proceeding before the Board, incident reports shall be admitted in evidence at the discretion of the Board.

[b](k) Service interruptions affecting customers of gas pipeline operators in New Jersey that meet one or more of the following criteria, shall be reported to the Board [in accordance with N.J.A.C.14:3-7.] no later than 30 minutes from the time that the operator becomes aware that service has been interrupted for 30 minutes:

- 1. A group of 100 or more customers interrupted during the heating season period between November 15 and March 15;**
- 2. A hospital, as defined at N.J.A.C. 8:43G-1.2; and**
- 3. An airport that is designated as a class I, II, or IV airport under 14 CFR Part 139, and that holds Airport Operating Certification from the Federal Aviation Administration under 14 CFR Part 139.**

(l) [However,][i]Interruptions to service made in accordance with provisions set forth in contracts between gas pipeline operators and their customers need not be reported.

(m) In addition to the reporting required at (k) above, if a service interruption meets one or more of the following criteria, the operator shall report the interruption to the Board no later than 30 minutes from the time that the utility becomes aware that service has been interrupted for one hour:

- 1. A group of 100 or more customers interrupted during the non-heating season period;**
- 2. The service interruption causes the closure of one or more lanes of an interstate highway, State highway, the New Jersey Turnpike, the Atlantic City Expressway or the Garden State Parkway;**
- 3. Service is interrupted for one hour or more to any of the following critical customers:**
 - i. A school facility, including a regionally accredited college or university;**
 - ii. A public or non-public school;**
 - iii. A facility that provides vocational-technical education, or a facility subject to the jurisdiction of a district board of education, as defined in N.J.A.C. 6A:9-2.1; and**
 - iv. A State correctional facility designated to house inmates serving prison sentences.**

(n) The operator shall promptly follow up the reporting required in (k) and/or (m) above with a detailed written report that includes all pertinent facts, including the cause of the interruption, the number and locations of customers affected, the duration of the interruption, operator actions to correct the interruption and to minimize and/or remedy its effects.

(o) Planned interruptions for operating reasons shall always be preceded by reasonable notice to all affected customers, and the work shall be planned so as to minimize customer inconvenience.

(p) Whenever the New Jersey Department of Transportation serves an operator with a notice prohibiting street openings pursuant to N.J.S.A. 27:7-26, or the operator receives a New Jersey Executive Department directive, or is otherwise put upon notice of any facts, actual or threatened, which may adversely affect its ability to render safe, adequate and proper service, the operator shall forthwith report the pertinent facts to the Board, in writing.

(q) An operator shall perform all reporting required under this section using the forms and procedures prescribed by Board staff.

(r) Each operator shall keep a record of each reported interruption of service for a period of one year after the interruption ends.

(s) Records of the major interruptions of service shall be kept in a manner suitable for analysis for the purpose of minimizing possible future interruptions and shall include the time, cause, and duration of the interruptions as well as the remedial action taken.

14:7-1.18 Proposed construction

(No change.)

4:7-1.19 **Gas Leak Classification and Repair** [Reserved]

(a) Each gas leak shall be investigated by the operator and assigned a grade classification based on the severity of the leak. Leaks shall be graded and prioritized for repair as follows:

1. Grade 1: Effective December 17, 2022 all Grade 1 leaks that represent an existing or probable hazard to persons, property or the environment shall be made safe immediately, require continuous action until the hazard is eliminated, and require notification to Board staff as soon as practical. Eliminating the hazard and making the condition safe may include

the use of temporary measures. The operator shall take whatever measures necessary consistent with established safety practices and procedures to eliminate the hazard. All Grade 1 leaks must be permanently repaired within 1 week from the date of detection, unless prevented by extenuating circumstances reported to Board staff.

2. Grade 2: Effective December 17, 2022 all Grade 2 leaks that are determined to be non-hazardous at the time of detection but pose an environmental threat and have the potential to become a future hazard to persons or property shall be repaired within 6 months from the date of detection. All Grade 2 leaks shall be reevaluated by the operator at least once every 30 days until the leak is eliminated. Grade 2 leaks detected on pipelines scheduled for replacement within one year of detection may have their scheduled repair extended for an additional 6 months, provided the leaks continue to be reevaluated every 30 days.

3. Grade 3: Effective December 17, 2022 all Grade 3 leaks that are determined to be non-hazardous at the time of detection and are expected to remain non-hazardous to persons and property but pose a potential environmental threat shall be reevaluated every 6 months from the date the leak was detected until the leak is eliminated. All Grade 3 leaks must be eliminated within two years of detection.

(b) Leak grade classifications in (a) above shall be determined using the criteria and conditions listed in Table 1 below:

<u>Criteria for Determining Leak Classification</u>	<u>Leak Grade Classification</u>	<u>Required Action</u>
<ul style="list-style-type: none"> i. Escaping gas resulting in unintentional ignition. ii. Any leak that can be seen heard or felt and is in a location that may endanger the general public or property. iii. Any leak within 10 feet of an exterior wall of a building or where gas would likely migrate to an exterior wall of a building 	Grade 1	4:7-1.19(a)

<p>iv. Any reading of gas, which has migrated into or under a building, or into a tunnel.</p> <p>v. Any leak on a pipeline operating at or above 125 psig.</p> <p>vi. Any leak with a 20 percent (%) or greater LEL reading in any enclosed space.</p> <p>vii. Any leak that in the judgement of operator personnel at the scene, is considered an immediate hazard.</p> <p>viii Any above ground leak</p>		
<p>i. Any leak with a reading below 20 percent (%) of the LEL in any enclosed space.</p> <p>ii. Any leak detected in a continuously paved area from the inside curb to the exterior wall of a building with a 10 percent (%) or greater LEL reading taken at a distance greater than 10 feet but no greater than 20 feet from the wall.</p> <p>iii. Any leak detected in a continuously paved area from the inside curb to the exterior wall of a building with a 30 percent (%) or greater LEL reading taken at a distance greater than 20 feet but no greater than 40 feet from the wall.</p> <p>iv. Any leak detected in an unpaved area from the inside curb to the exterior wall of a building with a 20 percent (%) or greater LEL reading taken at a distance greater than 10 feet but no greater than 20 feet from the wall.</p> <p>v. Any leak detected in an unpaved area from the inside curb to the exterior wall of a building with a 40 percent (%) or greater LEL reading taken at a distance greater than 20 feet but no greater than 40 feet from the wall.</p>	Grade 2	<u>14:7-1.19(a)2</u>
<p>Any leak detected in a paved or unpaved area that is not classified as a Grade 1 or Grade 2.</p>	<u>Grade 3</u>	<u>14:7-1.19(b)</u> 4:7 -1.19(b)3

(c) The operator shall ensure that every person with job duties or responsibilities that include the classification of gas leaks is trained and qualified pursuant to 49 CFR Part 192.805 to ensure proper leak classification.

(d) An operator shall implement and train all employees who may respond to a gas leak emergency with regard to Incident Command procedures referencing the importance of

notifying, identifying and leveraging 911, police, and firefighters for local emergency response mutual assistance; and specifying procedures for evacuations where required.

14:7-1.20 Monthly inspection patrols and leak detection surveys

(a) (No change.)

(b) An operator shall perform leak detection surveys on all bare and coated cathodically unprotected steel distribution lines, at intervals that are, at a minimum, consistent with 49 CFR 192.723. In addition, the operator shall perform more frequent surveys as the operator deems necessary based on leak history, **number of leaks [discovered] reported** by the public, **population density**, and operating pressure.

(c) (No change.)

(d) An operator shall replace all **bare and coated cathodically unprotected steel** service lines within a definable area when records indicate that 20 percent or more of the bare and cathodically unprotected steel services within that definable area have exhibited leaks.

(e)-(f) (No change.)

14:7-1.21 Public outreach

(a)-(d) (No change.)

14:7-1.22 Damage prevention

(a)-(b) (No change.)

(c) When an operator becomes aware of a potential high risk excavation, as a result of a markout request from the One Call center, the operator shall do all of the following, as applicable:

1.-3. (No change.)

4. If a horizontal directional drill project in accordance with N.J.A.C. 14:7-1.25 is planned in close proximity to and/or crossing underground gas transmission or distribution facilities, the operator shall provide on-site inspection or continuing surveillance of the drilling activities.

[4.]5. (No change.)

[5.]6. (No change.)

14:7-1.23 Review of operating and maintenance standards

(a)-(d) (No change.)

14:7-1.24 Oversight of construction, **operations, and maintenance activities** [activity]

(a) (No change.)

(b) A pipeline operator shall ensure that each **operator crew performing construction and contractor crew performing work on behalf of the operator** is inspected by the operator's inspectors at least once each work day; or as often as the operator deems necessary to ensure the quality and safety of the work being performed.

(c)-(f) (No change.)

(g) Each operator shall ensure that only individuals who meet the operator's qualification program may perform an activity which is a covered task as defined in N.J.A.C.14:7-1.1A.

14:7-1.25 Directional drilling operations

(a)-(h) (No change.)

14:7-1.26 Operator reporting requirements

(a)-(b) (No change.)

(c) A pipeline operator shall provide a copy of the following to the Board's Bureau of Pipeline Safety each year, not later than March 15, covering the preceding calendar year:

1.-2. (No change.)

3. The following year-end inventories, submitted in a format provided by the Bureau of Pipeline Safety:

i. (No change.)

ii. Total number of cast iron breaks, listed by pipe diameter and system operating pressure[.]; **and**

4. The Liquefied Natural Gas (LNG) Facilities Annual Report required under 49 CFR 191.17. This report shall be submitted to the Board on U.S. Department of Transportation Form RSPA F7100.3-1.

(d) A pipeline operator shall provide a copy of the following to the Board's Bureau of Pipeline Safety within the applicable deadlines:

1. Leak classification status report indicating the number of open, unrepaired leaks by grade classification **and municipality served**, submitted by January 31 of each year, for the preceding calendar year, in a format provided by the Bureau of Pipeline Safety;

2.-8. (No change.)

(e) (No change.)

(f) A transmission pipeline operator shall notify the Board's Bureau of Pipeline Safety at least five business days prior to performing an integrity dig and report its location.

(g) Each pipeline operator shall notify, immediately upon discovery, each exceedance of the maximum allowable operating pressure that exceeds the margin (build-up) allowed for operation of pressure-limiting or control devices as specified in the applicable requirements of 49 CFR 192.201, 192.620(e), and 192.739. A formal report shall be submitted to the Bureau of Pipeline Safety pursuant to the requirements of 49 CFR 191.25 and must be entitled “Maximum Allowable Operating Pressure Exceedances”.

14:7-1.27 (Reserved)

14:7-1.28 (Reserved)

14:7-1.29 (Reserved)

14:7-1.30 (Reserved)

14:7-1.31 (Reserved)

14:7-1.32 (Reserved)

14:7-1.33 (Reserved)

14:7-1.34 (Reserved)

14:7-1.35 (Reserved)

14:7-1.36 (Reserved)

14:7-1.37 (Reserved)

SUBCHAPTER 2. VIOLATIONS, INFORMAL CONFERENCES, CIVIL ADMINISTRATIVE PENALTIES AND ADJUDICATORY HEARINGS

14:7-2.1 Scope and purpose

(a)-(d) (No change.)

14:7-2.2 Notices of probable violation

(a)-(d) (No change.)

14:7-2.3 Response by alleged violator to Notice of Probable Violation

(a)-(e) (No change.)

14:7-2.4 Failure of alleged violator to submit Answering Certification

(a)-(e) (No change.)

14:7-2.5 Notice of Administrative Order and Civil Administrative Penalty Assessment (AONOCAPA)

(a)-(g) (No change.)

14:7-2.6 Adjudicatory hearings

(a)-(d) (No change.)

14:7-2.7 Civil administrative penalty determination

(a) The Board may assess a civil administrative penalty **in accordance with the amounts specified in the Federal code, which is incorporated herein by reference.** [of not more than \$200,000 for each violation, for each day the violation persists, up to a maximum of \$2,000,000 for any related series of violations,]

(b)-(c) (No change.)