

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

Editor's Note: This Notice of Proposed Rulemaking is being republished to provide a corrected version of the Notice that was originally published in the April 30, 2004 issue. The originally published Notice included three Sections that were inadvertently included but did not need to appear, and one Section that included text that appeared as stricken language when it should not have appeared as such. In addition, this corrected version of the Notice contains new oral proceeding information in item #10.

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 10. DEPARTMENT OF HEALTH SERVICES HEALTH CARE INSTITUTIONS: LICENSING

PREAMBLE

1. Sections Affected

R9-10-201
R9-10-203
R9-10-204
R9-10-206
R9-10-208
R9-10-209
R9-10-212
R9-10-213
R9-10-218
R9-10-219
R9-10-220
R9-10-222
R9-10-228

Rulemaking Action

Amend
Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 36-132(A) and 36-136(F)
Implementing statutes: A.R.S. §§ 36-405 and 36-406

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 10 A.A.R. 1716, April 30, 2004

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Kathleen Phillips, Rules Administrator
Address: Arizona Department of Health Services
1740 W. Adams, Suite 202
Phoenix, AZ 85007
Telephone: (602) 542-1264
Fax: (602) 364-1150
E-mail: kphilli@hs.state.az.us
or

Notices of Proposed Rulemaking

Name: Kathy McCanna, Program Manager
Address: Arizona Department of Health Services
150 N. 18th Ave., Suite 450
Phoenix, AZ 85007
Telephone: (602) 364-2841
Fax: (602) 364-4764
E-mail: kmccann@hs.state.az.us

5. An explanation of the rules, including the agency's reasons for initiating the rules:

A.R.S. § 36-132(A) requires the Arizona Department of Health Services (Department) to license and regulate health care institutions in Arizona. A.R.S. § 36-405(A) requires the Director of the Department to adopt rules establishing minimum standards and requirements for the construction, modification and licensure of health care institutions necessary to assure the public health, safety and welfare. It further requires that the standards and requirements relate to the construction, equipment, sanitation, staffing for medical, nursing, and personal care services, and recordkeeping pertaining to the administration of medical, nursing, and personal care services according to generally accepted practices of health care. A.R.S. § 36-405(A) also requires that the Director use the current standards adopted by the Joint Commission on Accreditation of Hospitals and the Commission on Accreditation of the American Osteopathic Association or those adopted by any recognized accreditation organization approved by the Department as guidelines in prescribing minimum standards and requirements.

The Department promulgated rules that became effective October 1, 2002 for hospitals, a classification of health care institutions. After the rules were implemented, the Department and affected stakeholders identified technical or clarifying changes that needed to be made to the rules. The Department established a task force to review and discuss changes to the rules. Based on the recommendations from the task force, the Department submitted a notice of proposed rulemaking to the Secretary of State that was published in the Arizona Administrative Register on June 20, 2003. During the comment period several additional issues were identified. Subsequently, a supplemental proposed rulemaking was submitted and published on December 12, 2003. Additional issues were again identified that would require another supplemental proposed rulemaking. Because the Department determined that making another supplemental proposed rulemaking would be too confusing, the Department decided to terminate the rulemaking and submit a proposed rulemaking that includes the changes previously identified as a result of the comment period for the terminated rulemaking. This rulemaking does not change the tuberculosis testing requirements currently in effect.

6. A reference to any study relevant to the rules that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, any analysis of the study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Department and licensed hospitals will bear any costs associated with the rules. Because the rules require additional policies and procedures and additions to a hospital's quality management plan and to staff orientation, the hospital may incur a one-time cost for development and minimal costs for implementation of the new requirements. The Department may experience an increase in survey time for Department personnel to review the additional policies and procedures. In addition, hospitals may experience an increase in staffing costs due to changes in the nurse-to-patient ratio for patients who receive intensive care services.

The rules will provide a benefit to the Department, licensed hospitals, nurses, and patients. The rules provide for clarification that will make it easier for hospital personnel to comply with the rules and easier for Department personnel to survey and determine compliance with the rules. Nurses may benefit from a decrease in patient assignments and stress associated with inadequate staffing. Nurse staffing based on acuity as well as increased nurse-to-patient ratio for intensive care patients will have a positive effect on patient health and safety and help decrease the incidence of negative patient outcomes. In addition, the rules provide more flexibility for special hospitals providing patients with clinical laboratory services, radiology, and diagnostic imaging services and more staff flexibility for hospitals with nurseries providing care to neonates receiving no treatment.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Kathleen Phillips, Rules Administrator
Address: Arizona Department of Health Services
1740 W. Adams, Suite 202
Phoenix, AZ 85007

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Telephone: (602) 542-1264
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Name: Kathy McCanna, Program Manager
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150 N. 18th Ave., Suite 450
Phoenix, AZ 85007
Telephone: (602) 364-2841
Fax: (602) 364-4764
E-mail: kmccann@hs.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Department has scheduled the following oral proceeding:

Date: July 13, 2004
Time: 1:00 p.m.
Location: Arizona Department of Health Services
150 N. 18th Ave., Room 215A
Phoenix, AZ 85007

A person may submit written comments on the proposed rules no later than the close of record, 5:00 p.m., July 13, 2004, to either of the individuals listed in items #4 and #9.

A person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Valerie Grina by telephone at (602) 364-2580 or by e-mail at vgrina@hs.state.az.us. A request should be made as early as possible to allow time to arrange the accommodation.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

Not applicable

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 10. DEPARTMENT OF HEALTH SERVICES
HEALTH CARE INSTITUTIONS: LICENSING**

ARTICLE 2. HOSPITALS

Section	
R9-10-201.	Definitions
R9-10-203.	Administration
R9-10-204.	Quality Management
R9-10-206.	Personnel
R9-10-208.	Nursing Services
R9-10-209.	Patient Rights
R9-10-212.	Transport
R9-10-213.	Transfer
R9-10-218.	Clinical Laboratory Services and Pathology Services
R9-10-219.	Radiology Services and Diagnostic Imaging Services
R9-10-220.	Intensive Care Services
R9-10-222.	Perinatal Services
R9-10-228.	Medical Records

ARTICLE 2. HOSPITALS

R9-10-201. Definitions

No change

1. No change
2. No change
3. "Acuity" means ~~a determination of the level and type of nursing services, based on the patient's illness or injury, that are required to meet the needs of the patient~~ a patient's need for hospital services based on the patient's medical condition.
4. "Acuity plan" means a method for establishing nursing personnel requirements by unit based on a patient's acuity.
- ~~4-5.~~ No change
- ~~5-6.~~ No change
- ~~6-7.~~ No change
- ~~7-8.~~ No change
- ~~8-9.~~ No change
- ~~9-10.~~ "Assessment" means an analysis of a patient's current medical condition and need for hospital services.
- ~~10-11.~~ No change
12. "Attending physician's designee" means a physician, a physician assistant, a registered nurse practitioner, or a medical staff member who has clinical privileges and is authorized by medical staff bylaws to act on behalf of the attending physician.
- ~~11-13.~~ No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
- ~~12-14.~~ No change
 - a. No change
 - b. No change
 - c. No change
- ~~13-15.~~ No change
- ~~14-16.~~ No change
- ~~15-17.~~ No change
- ~~16-18.~~ No change
- ~~17-19.~~ No change
- ~~18-20.~~ No change
- ~~19-21.~~ No change
- ~~20-22.~~ No change
- ~~21-23.~~ No change
24. "Critically ill inpatient" means an inpatient whose severity of medical condition requires the nursing services of specially trained registered nurses for:
 - a. Continuous monitoring and multi-system assessment.
 - b. Complex and specialized rapid intervention, and
 - c. Education of the patient or patient's representative.
- ~~22-25.~~ No change
- ~~23-26.~~ No change
- ~~24-27.~~ No change
- ~~25-28.~~ No change
- ~~26-29.~~ No change
- ~~27-30.~~ No change
- ~~28-31.~~ No change
- ~~29-32.~~ No change
- ~~30-33.~~ No change
- ~~31-34.~~ No change
- ~~32-35.~~ No change
- ~~33-36.~~ No change
- ~~34-37.~~ No change
- ~~35-38.~~ No change
- ~~36-39.~~ No change
- ~~37-40.~~ No change

~~38-41~~. No change

~~39-42~~. No change

~~40-43~~. No change

~~41-44~~. No change

~~42-45~~. No change

~~43-46~~. No change

~~44-47~~. No change

~~45-48~~. No change

~~46-49~~. No change

~~47-50~~. No change

~~48-51~~. No change

~~49-52~~. No change

~~50-53~~. No change

~~51-54~~. No change

a. No change

b. No change

~~52-55~~. No change

~~53-56~~. “Intensive care services” means hospital services provided to ~~an~~ a critically ill inpatient who requires the services of especially trained nursing and other personnel members as specified in hospital policies and procedures.

~~54-57~~. No change

~~55-58~~. No change

a. No change

b. No change

~~56-59~~. No change

~~60~~. “Medical condition” means the state of a patient’s physical or mental health, including the patient’s illness, injury, or disease.

~~57-61~~. No change

~~58-62~~. No change

~~59-63~~. No change

~~60-64~~. No change

~~61-65~~. No change

~~62-66~~. No change

~~63-67~~. No change

~~64-68~~. No change

a. No change

b. No change

~~65-69~~. No change

~~66-70~~. No change

~~67-71~~. No change

~~68-72~~. No change

~~69-73~~. No change

~~70-74~~. No change

~~71-75~~. No change

~~72-76~~. No change

~~73-77~~. “Order” means an instruction to provide medical services, as authorized by the governing authority, to a patient by:

a. A medical staff member;₂

b. An individual licensed under A.R.S. Title 32 or authorized by a hospital within the scope of the individual’s license;₂ or

c. A physician who is not a medical staff member.

~~74-78~~. No change

~~75-79~~. No change

~~76-80~~. No change

a. No change

b. No change

~~77-81~~. No change

~~78-82~~. No change

~~79-83~~. No change

~~80-84~~. “~~Patient~~ Patient’s representative” means a patient’s legal guardian, an individual acting on behalf of a patient with the written consent of the patient, or a surrogate as defined in A.R.S. § 36-3201.

~~81-85~~.No change

~~82-86~~.No change

~~83-87~~.No change

~~84-88~~.No change

a. No change

b. No change

~~85-89~~.No change

~~86-90~~.No change

~~87-91~~.No change

~~88-92~~.No change

~~89-93~~.No change

~~90-94~~.No change

~~91-95~~.No change

~~92-96~~.No change

~~93-97~~.No change

~~94-98~~.No change

~~95-99~~.No change

~~96-100~~.No change

~~97-101~~.No change

~~98-102~~.No change

~~99-103~~.No change

~~100-104~~.No change

~~101-105~~.No change

~~102-106~~.No change

~~103-107~~.No change

~~104-108~~.No change

~~105-109~~.No change

a. No change

b. No change

~~106-110~~.No change

~~107-111~~.No change

~~108-112~~.No change

a. No change

b. No change

c. No change

~~109-113~~.No change

~~110-114~~.“Transfer” means a hospital discharging a patient and sending the patient to another hospital for inpatient medical services licensed health care institution as an inpatient or resident without the intent intending that the patient will be returned to the sending hospital.

~~111-115~~.No change

~~112-116~~.No change

~~113-117~~.“Treatment” means a procedure or method to cure, improve, or palliate an injury, an illness, or a disease a medical condition.

~~114-118~~.No change

~~115-119~~.No change

a. No change

b. No change

c. No change

~~116-120~~.No change

~~117-121~~.No change

~~118-122~~.No change

~~119-123~~.No change

R9-10-203. Administration

A. No change

1. No change

2. No change

3. No change

a. No change

- b. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change
- 8. No change
- 9. No change
- 10. No change
- 11. No change
- 12. No change
- 13. No change
- B.** No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- C.** No change
 - 1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. Include how a personnel member may submit a complaint relating to patient care:
 - ~~d-e.~~ No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - ~~e-f.~~ No change
 - ~~f-g.~~ No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - ~~g-h.~~ No change
 - ~~h-i.~~ No change
 - ~~i-j.~~ No change
 - ~~j-k.~~ No change
 - ~~k-l.~~ No change
 - ~~l-m.~~ No change
 - ~~m-n.~~ No change
 - 2. No change
 - a. No change
 - b. Cover acuity, including a process for obtaining sufficient nursing personnel to meet the needs of patients at all times;
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
 - h. No change
 - i. No change
 - ii. No change
 - i. No change
 - j. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - a. No change
 - b. No change

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6. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change

- D.** No change
1. No change
 2. No change

R9-10-204. Quality Management

- A.** No change
1. No change
 2. No change
- B.** No change
1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. A method to make changes or take action as a result of the identification of a concern about the delivery of hospital services; ~~and~~
 - e. A method to identify, document, and evaluate occurrences of exceeding licensed capacity, as described in R9-10-203(C)(5), including the actions taken for resolving occurrences of exceeding licensed capacity; and
 - e-~~f~~. No change
 2. No change
 - a. An identification of each concern about the delivery of hospital services; and
 - b. Any changes made or actions taken as a result of the identification of a concern about the delivery of hospital services;
 3. The acuity plan required in R9-10-208(C)(2) is reviewed and evaluated every 12 months and the results are documented and reported to the governing authority; and
 - 3-4. The ~~report reports~~ required in ~~subsection~~ subsections (B)(2) and (3) and the supporting documentation for the ~~report reports~~ are:
 - a. No change
 - b. No change

R9-10-206. Personnel

- No change
1. No change
 2. ~~Personnel assigned to provide~~ A personnel member who provides medical services or nursing services ~~demonstrate demonstrates~~ competency and proficiency according to criteria established in hospital policies and procedures for each type of unit and each type of patient to which the personnel member is assigned;
 3. No change
 - a. No change
 - b. No change
 - c. No change
 4. Orientation occurs within the first 30 days of providing hospital services or volunteer service and includes:
 - a. Informing personnel about Department rules for licensing and regulating hospitals and how the rules may be obtained;
 - b. Reviewing the process by which a personnel member may submit a complaint about patient care to a hospital; and
 - c. ~~information determined~~ Providing the information required by hospital policies and procedures;
 5. No change
 - a. No change
 - b. No change

- 6. No change
- 7. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
- 8. No change
- 9. No change
 - a. No change
 - b. No change
 - c. No change
- 10. No change
- 11. No change
 - a. No change
 - b. No change

R9-10-208. Nursing Services

- A. No change
 - 1. No change
 - 2. No change
- B. No change
- C. No change
 - 1. No change
 - 2. An acuity plan is established, and documented, to determine the types and numbers of nursing personnel necessary to provide nursing services to meet the needs of the patients; and implemented that includes:
 - a. A method that establishes the types and numbers of nursing personnel that are required for each unit in the hospital;
 - b. An assessment of a patient's need for nursing services made by a registered nurse providing nursing services directly to the patient; and
 - c. A policy and procedure stating the steps a hospital will take to obtain the nursing personnel necessary to meet patient acuity;
 - 3. The acuity plan in subsection (C)(2) is implemented; Registered nurses, including registered nurses providing nursing services directly to a patient, are knowledgeable about the acuity plan and implement the acuity plan established under subsection (C)(2);
 - 4. If licensed capacity in an organized service is exceeded or patients are kept in areas without licensed beds, nursing personnel are assigned according to the specific rules for the organized service in this Chapter;
 - ~~4-5.~~ No change
 - ~~5-6.~~ No change
 - ~~6-7.~~ No change
 - ~~7-8.~~ No change
 - ~~8-9.~~ No change
 - ~~9-10.~~ No change
 - ~~10-11.~~ No change
 - ~~11-12.~~ No change
 - ~~12-13.~~ No change
 - a. No change
 - b. No change
 - c. No change
 - ~~13-14.~~ No change
 - ~~14-15.~~ No change
 - ~~15-16.~~ No change
 - ~~16-17.~~ No change

R9-10-209. Patient Rights

- A. No change
 - 1. No change
 - a. No change
 - b. No change

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2. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - i. ~~The hospital's health care directives policies and procedures~~ Proposed medical procedures, alternatives to the medical procedures, associated risks, and possible complications;
 - ii. No change
 - iii. The hospital's patient grievance policies and procedures, including the telephone number of hospital personnel to contact about grievances, and the Department's telephone number if the hospital is unable to resolve the patient's grievance; and
 - iv. Except as authorized by the Health Insurance Portability and Accountability Act of 1996, proposed involvement of the patient in research, experimentation, or education, if applicable; ~~and~~
 - v. ~~Proposed medical procedures, alternatives to the medical procedures, associated risks, and possible complications;~~
3. A patient or the patient's representative is provided a description of the hospital's health care directives policies and procedures:
 - a. If an inpatient, at the time of admission; or
 - b. If an outpatient:
 - i. Before the performance of any invasive procedure, except phlebotomy for obtaining blood for diagnostic purposes; or
 - ii. If the hospital services include a planned series of treatment, at the start of each series;
- ~~3-4.~~ No change
 - a. No change
 - b. No change
- ~~4-5.~~ No change
- ~~5-6.~~ No change

B. The requirements in subsections (A)(2)(a), (A)(2)(d)(i), (A)(3), and (A)(4) shall not apply in an emergency.

R9-10-212. Transport

- A. No change
 1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. Specify how a medical staff member explains the risks and benefits of a transport ~~and obtains consent from~~ to the patient or the patient's representative based on the:
 - i. No change
 - ii. No change
 2. No change
 - a. Consent for transport by the patient or the patient's representative or why consent could not be obtained;
 - ~~a-b.~~ No change
 - ~~b-c.~~ No change
 - ~~e-d.~~ No change
 - ~~d-e.~~ No change
 - ~~e-f.~~ No change
- B. No change
 1. No change
 - a. No change
 - b. Require an assessment of the patient by a registered nurse or a medical staff member upon arrival of the patient and before the patient is returned to the sending hospital unless the receiving hospital is a satellite facility, as defined in A.R.S. § 36-422, and does not have a registered nurse or a medical staff member at the satellite facility;
 - c. No change
 - d. No change
 2. No change
 - a. No change
 - b. No change

- c. No change
- d. No change
- e. No change
- f. No change

C. No change

R9-10-213. Transfer

A. No change

- 1. No change
 - a. No change
 - b. No change
 - c. Specify how the sending hospital personnel members communicate medical record information that is not provided at the time of the transfer; and
 - d. Specify how a medical staff member explains the risks and benefits of a transfer to the patient or the patient's representative based on the:
 - i. Patient's medical condition, and
 - ii. Mode of transfer;
- 2. ~~Except in an emergency, a medical staff member obtains informed consent for the transfer;~~
- 3. ~~In an emergency, documentation of informed consent or why informed consent could not be obtained is included in the medical record;~~
- 4. ~~2.~~ One of the following accompanies the patient during transfer ~~to the receiving hospital:~~
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - v. No change
 - vi. No change
 - vii. No change
- 5. ~~3.~~ No change
 - a. Consent for transfer by the patient or the patient's representative, except in an emergency;
 - ~~a-b.~~ The acceptance of the patient by and communication with an individual at the receiving hospital health care institution;
 - ~~b-c.~~ The date and the time of the transfer to the receiving hospital health care institution;
 - ~~e-d.~~ No change
 - ~~d-e.~~ No change

B. A sending hospital and a receiving hospital that are licensed at separate locations and have the same Medicare number issued by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services are exempt from subsections (A)(1)(c), ~~(A)(4)~~ (A)(2) and ~~(A)(5)(a)~~ (A)(3)(a).

R9-10-218. Clinical Laboratory Services and Pathology Services

No change

- 1. No change
- 2. No change
- 3. No change
- 4. A special hospital whose ~~patients' diagnoses or treatment requires~~ patients require clinical laboratory services ~~provides the services within the special hospital 24 hours a day;~~
 - a. Is able to provide clinical laboratory services when needed by the patients.
 - b. Obtains specimens for clinical laboratory services without transporting the patients from the special hospital's premises, and
 - c. Has the examination of the specimens performed by a clinical laboratory on the special hospital's premises or by arrangement with a clinical laboratory not on the premises;
- 5. No change
- 6. No change
- 7. No change
 - a. No change
 - i. No change
 - ii. No change

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- b. No change
- 8. No change
- 9. No change
- 10. No change
 - a. No change
 - b. No change
 - c. No change
- 11. No change
 - a. No change
 - b. No change
- 12. No change

R9-10-219. Radiology Services and Diagnostic Imaging Services

- A. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. A hospital that provides surgical services has radiology services and diagnostic imaging services on the hospital's premises to meet the needs of patients;
 - ~~4.5. No change~~
 - ~~5-6. Except as provided in subsection (A)(4), a special hospital whose patients' diagnoses or treatment requires patients require radiology services and diagnostic imaging services is able to provide the radiology services and diagnostic imaging services or has a documented plan to provide the services to meet the needs of a patient when needed by the patients:~~
 - a. On the special hospital's premises, or
 - b. By arrangement with a radiology and diagnostic imaging facility that is not on the special hospital's premises.
- B. No change
 - 1. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 - 2. No change
 - 3. ~~A radiologist prepares a documented~~ radiologic or diagnostic imaging patient report is prepared that includes:
 - a. No change
 - b. No change
 - c. A medical staff member's or radiologist's interpretation of the image;
 - d. No change
 - e. The adverse reaction to the radiopharmaceutical, if any; and
 - 4. A radiologic or diagnostic imaging patient report is included in the patient's medical record; and
 - 5. ~~A radiologic or diagnostic image is maintained by the hospital for at least 12 months from the date of the imaging.~~

R9-10-220. Intensive Care Services

- A. No change
- B. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - a. With a minimum of one registered nurse assigned for every ~~three~~ two patients; and
 - b. According to an acuity plan as required in R9-10-208;
 - 6. Each intensive care unit has a policy and procedure that provides for meeting the needs of the patients at all times;
 - ~~6-7. No change~~
 - ~~7-8. No change~~
 - ~~8-9. Nursing personnel assigned to an intensive care unit are~~ At least one registered nurse assigned to a patient in an intensive care unit is qualified in advanced cardiopulmonary resuscitation specific to the age of the patients in the intensive

~~care unit patient;~~

~~9-10~~. No change

- a. No change
- b. No change
- c. No change
- d. No change
- e. No change

~~10-11~~. No change

C. No change

R9-10-222. Perinatal Services

A. No change

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change

7. No change

8. No change

9. No change

10. No change

11. No change

- a. No change
- b. No change

12. No change

- a. No change
- b. No change

13. No change

14. No change

15. No change

16. A minimum of one registered nurse is on duty in a nursery at all times when there is a neonate in ~~a~~ the nursery except as provided in subsection (A)(17);

17. A nursery occupied only by neonates who are placed in the nursery for the convenience of the mother and who do not require treatment as defined in this Article, is staffed by a licensed nurse;

~~17-18~~. No change

~~18-19~~. No change

B. No change

R9-10-228. Medical Records

A. No change

1. No change
2. No change
 - a. No change
 - b. No change
 - c. No change
3. No change
 - a. No change
 - b. No change
 - c. No change
4. No change

Notices of Proposed Rulemaking

5. No change
6. No change
7. No change
 - a. No change
 - b. No change
8. No change
 - a. No change
 - b. No change
9. No change
10. No change
 - a. No change
 - b. ~~Maintained~~ According according to A.R.S. § 12-2297; maintained for seven years from the date of patient discharge unless the patient is less than 18 years of age, in which case the record is maintained for three years after the patient's 18th birthday or at least seven years after the last date the child received hospital services, whichever date occurs last;
11. No change
12. No change
- B.** No change
 1. No change
 2. No change
- C.** No change
 1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 2. No change
 - a. No change
 - b. No change
 - c. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
 3. No change
 4. No change
 5. No change
 6. No change
 7. No change
 8. No change
 9. No change
 10. No change
 11. No change
 12. No change
 13. No change
 14. No change
 15. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
- D.** No change
 1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change

- e. No change
- 2. No change
 - a. No change
 - b. No change
 - c. No change
 - i. No change
 - ii. No change
 - iii. No change
 - iv. No change
- 3. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
- E. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - 6. No change

NOTICE OF PROPOSED RULEMAKING

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;
SECURITIES REGULATION**

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| 1. <u>Sections Affected</u> | <u>Rulemaking Action</u> |
| R14-5-202 | Amend |
| R14-5-203 | Amend |
| R14-5-204 | Amend |
| R14-5-205 | Amend |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. §§ 40-202, 40-203, 40-321, 40-441 and 40-442 et seq.
Constitutional authority: Arizona Constitution, Article XV
Implementing statute: Not applicable
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**
Notice of Rulemaking Docket Opening: 10 A.AR. 2264, June 4, 2004
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- | | |
|-------------------|---|
| Name: | Jason D. Gellman, Commission Counsel, Legal Division |
| Address: | Corporation Commission
1200 W. Washington
Phoenix, AZ 85007 |
| Telephone: | (602) 542-3402 |
| Fax: | (602) 542-4870 |

5. An explanation of the rule, including the agency's reasons for initiating the rule:

Staff is proposing amendments to transportation rules R14-5-202, R14-5-203, R14-5-204 and R14-5-205. The amendments will update the rules to incorporate the most recent amendments to the Code of Federal Regulations (CFR), Title 49, Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004. In addition, Staff is proposing new regulations setting parameters for laboratory testing for both intrastate pipeline operators and master meter operators. These amendments require that the operator retains a removed portion of pipeline that failed for any reason other than observable external corrosion or third-party damage. The Commission's Office of Pipeline Safety ("OPS"), a section of Staff, shall be notified of the removal within two hours after the removal is completed by the operator. Also, the operator will be required to provide specific information about the removed portion of pipeline. Per the new regulations, OPS shall have 48 hours to notify the operator that it is directing the operator to have the portion of pipeline removed tested by a laboratory or that the portion of pipeline removed may be discarded. Furthermore, the new regulations state that OPS shall select the laboratory to test the failed portions of pipeline. OPS shall establish the time-frame for the testing, the number of tests, and the type of tests to be performed on the portion of pipeline that was removed. OPS shall notify the operator of its determinations. Per the new proposed regulations, the operator shall notify OPS of the number and types of tests it proposes. The operator will be required to notify OPS of the date and time of any laboratory tests at least 20 days before the tests are done. A representative from OPS will be permitted to observe any and all of tests, if such a request is made by OPS. Furthermore, the new regulations will require the operator to ensure that the original laboratory test results are provided to OPS within 30 days of the completion of the tests. Finally, the new regulations make explicit that the operator is to pay for the laboratory testing. The new regulations also provide for a formal selection process. OPS shall be required to submit written requests to at least three different laboratories for bids to conduct the testing. OPS, when selecting a laboratory, shall consider the qualifications of the respondent laboratories to perform the testing, including past experience in performing the required test or tests according to ASTM International standards or any recognition that the laboratory may demonstrate with national or international laboratory accreditation bodies. OPS shall select the laboratory that offers the optimum balance between costs and demonstrated ability to perform the required test or tests. OPS must wait until it receives three written quotations to conduct the testing, or OPS must wait at least 30 days from the date the request for bids has passed, before selecting a laboratory to conduct the testing. The Federal regulations, in Title 49 CFR Part 192.617, requires the company to establish procedures for analyzing a failure and determine the cause of an incident, including selection of samples for laboratory examination. The federal regulation does not specifically require Staff approval of a laboratory. This proposed amendment would also allow Staff the opportunity to coordinate the testing of the failed specimen and to be present for the testing. These new regulations are recommended by Staff as a result of recent pipeline safety-related events: R14-5-202(S) and R14-5-205(P). In addition, the amended pipeline safety rules will also require operators of hazardous liquid pipelines to file annual reports: R14-5-204(A). In addition, all newly installed natural gas, hazardous liquid or other gas intrastate pipelines will be required to have proper bedding and shading, as described in R14-5-202(O) and R14-5-205(I). In addition, the updated rules will require all plastic pipe and fittings to be marked "Gas" and marked with CD, CE, CF or CG per ASTM D2513: R14-5-202(P) and R14-5-205(J). In addition, the rules update the location of the OPS to 2200 North Central, Suite 300, Phoenix, 85004: R14-5-202(B), (E), (J), (P), (R), R14-5-203(B), (C), R14-5-204(A) and R14-5-205(B), (G), (O), (Q). The proposed amendments will conform to the most recent amendments of the Federal Pipeline Safety Regulations, which is required by the Commission's Agreement with the United States Department of Transportation, Office of Pipeline Safety, and require for the Commission's Pipeline Safety Group to receive Federal funds for Pipeline Safety Programs. Staff believes that the proposed amendments will be beneficial to the general public by maintaining the safe operation of pipeline facilities.

6. A reference to any study that the agency proposes to rely on or not rely in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

The Commission believes that by incorporating by reference Title 49 CFR Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004, the rules will be consistent with current best practices and will enhance public safety which is in the best interest of all citizens in the state of Arizona.

8. The preliminary summary of the economic, small business, and consumer impact:

Small Business Subject to the Rules: These rules do not change the responsibilities of master meter operators already established in 1970 by the adoption by the Commission of the Code of Federal Regulations, Title 49, Parts 191 and 192.

The new rules will have no effect upon consumers or users of the gas service provided by regulated public utilities as they presently are required to be in compliance with all standards, but, this will benefit consumers, users and the general public by maintaining a safe pipeline system.

Notices of Proposed Rulemaking

The proposed rules are the least costly method for obtaining compliance with the long standing minimum safety standards. The rules do not impose additional standards. There is no less intrusive method.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Terry Fronterhouse, Chief, Office of Pipeline Safety
Address: Corporation Commission
1200 W. Washington
Phoenix, AZ 85007
Telephone: (602) 262-5601
Fax: (602) 262-5620

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: To be provided by the Commission Hearing Division pursuant to procedural order.
Time: To be provided by the Commission Hearing Division pursuant to procedural order.
Location: Commission Hearing Room, 1200 W. Washington, Phoenix
Nature: Public Comment Hearing (oral and written comments accepted)

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

Title 49, Code of Federal Regulations (CFR), Parts 40, 191, 192, except I (2) and (3) of Appendix D to Part 192, 193, 195 (except 195.1(b)(2) and (3)) and 199 revised as of January 15, 2004. These regulations cover the minimum safety standards for construction and operation of gas and hazardous liquid pipelines. These regulations may be found at the Arizona Corporation Commission, Office of Pipeline Safety, 2200 North Central, Suite 300, Phoenix, Arizona 85004. These regulations are incorporated by reference in the amended rules at: R14-5-202(B), (E), (J), (K), (O), (P), (R), (S); R14-5-203(B), and (C); R14-5-204(A); and R14-5-205(B), (G), (I), (J), (O), (P), and (Q).

13. The full text of the rules follows:

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;
SECURITIES REGULATION**

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION

ARTICLE 2. PIPELINE SAFETY

Section

R14-5-202. Construction and Safety Standards
R14-5-203. Pipeline Incident Reports and Investigations
R14-5-204. Annual Reports
R14-5-205. Master Meter System Operators

ARTICLE 2. PIPELINE SAFETY

R14-5-202. Construction and Safety Standards

- A. Applicability: This rule applies to the construction, reconstruction, repair, operation and maintenance of all intrastate natural gas, other gas, LNG and hazardous liquid pipeline systems, as described in A.R.S. 40-441.
- B. Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 40, 191, 192 except I (2) and (3) of Appendix D to Part 192, 193, 195, except 195.1(b)(2) and (3), and 199, revised as ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- C. The above mentioned incorporated Parts of 49 CFR, except Parts 191, 193 Subpart A and 195 Subpart A and B, are revised as follows:
1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration" or "Office of Pipeline Safety" (OPS) appear.

Notices of Proposed Rulemaking

2. Substitute "Office of Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the address for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U. S. Department of Transportation appears.
- D. Operators of an intrastate pipeline will file with the Commission an Operation and Maintenance Plan (O & M), including an emergency plan, 30 days prior to placing a pipeline system into operation. Any changes in existing plans will be filed within 30 days of the effective date of the change.
- E. Operators of an intrastate pipeline transporting sour gas or oil are subject to industry standards addressing facilities handling hydrogen sulfide (H₂S). Standards adopted are:
 1. NACE Standard MR-0175-99 (1999 Revision); (and no future revisions), Standard Materials Requirements-Sulfide Stress Cracking Resistant Metallic Material for Oilfield Equipment, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the NACE International, P.O. Box 218340, Houston, Texas 77218-8340 and on file with the Office of the Secretary of State.
 2. API RP55 (1995 Edition); (and no future amendments), API recommended practice for conducting oil and gas production operations involving hydrogen sulfide, incorporated by reference and no future amendments. Copies are available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the CSSINFO, 310 Miller Avenue, Ann Arbor, Michigan, 48103 and on file with the Office of the Secretary of State.
- F. Operators of an intrastate pipeline transporting LNG, hazardous liquid, natural gas or other gas will not construct any part of a hazardous liquid, LNG, natural gas or other gas pipeline system under a building. For building encroachments over a pipeline system, the operator may require the property owner to remove the building from over the pipeline or reimburse the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery, or the operator shall discontinue service to the pipeline system. When the encroachment cannot be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.
- G. Operators of an intrastate distribution pipeline transporting ~~LNG, hazardous liquid~~, natural gas or other gas will not construct any part of a pipeline system closer than 8 inches to any other underground structure. If the 8-inch clearance cannot be maintained from other underground structures, a sleeve, casing, or shielding shall be used.
- H. Operators of an intrastate pipeline transporting natural gas or other gas that have regulators, meters, or regulation meter sets that have been out of service for 36 months will abandon those lines and cap all ends. The Operator's steps to accomplish the abandonment shall not exceed 6 months beyond the 36 months out service status.
- I. Operators of an intrastate pipeline shall not install or operate a gas regulator that might release gas in its operation closer than 3 feet to a source of ignition, opening into a building, air intake into a building or to any electrical source not intrinsically safe. The three foot clearance from a source of ignition will be measured from the vent or source of release (discharge port), not from the physical location of the meter set assembly. This subsection shall not be effective with respect to building permits which are issued and subdivisions which are platted prior to October 1, 2000. For encroachment within the required three foot clearance caused by an action of the property owner, occupant or a service provider, after the effective date of this rule the operator may require the property owner to resolve the encroachment or reimburse the operator the cost associated with relocating the pipeline system. The encroachment shall be resolved within 180 days of discovery or the operator shall discontinue service to the effected pipeline system. When the encroachment cannot be resolved within the 180 days the operator shall submit to the Office of Pipeline Safety within 90 days of discovery a written plan to resolve the encroachment. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the ratepayer and the operator to implement the written plan to resolve the encroachment.
- J. Operators of an intrastate pipeline transporting LNG, natural gas, other gases or hazardous liquid will utilize a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975 except I (2) and (3) of Appendix D to Part 192 shall not be utilized.
- K. Operators of an intrastate pipeline transporting natural gas or other gas will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- L. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their pipeline systems.
- M. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas will not install plastic pipe

aboveground unless the plastic pipeline is protected by a metal casing, or equivalent, and approved by the Office of Pipeline Safety. Temporary aboveground plastic pipeline bypasses are permitted for up to 60 days, provided that the plastic pipeline is protected and is under the direct supervision of the operator at all times.

- N. Operators of an intrastate pipeline transporting hazardous liquid, natural gas or other gas that construct a pipeline system or any portion thereof using plastic pipe, will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- O. Operators of an intrastate pipeline transporting ~~hazardous liquid~~, natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system ~~using plastic pipe~~, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- P. Operators of an intrastate pipeline transporting natural gas or other gas ~~pipeline system~~ that construct an underground pipeline system using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513 (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, 1200 West Washington, Phoenix, Arizona 85007 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.
- Q. Operators of an intrastate pipeline system transporting hazardous liquid, natural gas or other gases shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A. The qualification of welders delineated in 49 CFR 192, appendix C may be used for low stress level pipe.
- R. Operators of an intrastate pipeline transporting natural gas or other gas pipeline system shall survey and grade all detected leakage by the following guide: ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 except 4.4(c) (1983 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, N. Y. 10017. ("Should" as referenced in the Guide will be interpreted to mean "shall"). Leakage survey records shall identify in some manner each pipeline surveyed. Records shall be maintained to demonstrate that the required leakage survey has been conducted.
- S. Laboratory testing of intrastate pipelines shall be conducted in accordance with the following:
1. If an operator of an intrastate natural gas, other gas or hazardous liquid pipeline removes a portion of a pipeline that failed for any reason other than observable external corrosion or third-party damage, the operator shall retain the portion that was removed and shall notify the Office of Pipeline Safety of the removal within two hours after the removal is completed. A notice made pursuant to this subsection shall include all of the following:
 - a. Identity of the failed pipeline.
 - b. Location of the failure.
 - c. Date and time of the removal.
 - d. Length of the removed portion.
 - e. Storage location of the removed portion.
 - f. The operator's opinion regarding the probable cause or causes of the failure.
 - g. Any additional information about the failure or the removal of the portion of the pipeline that failed that is requested by the Office of Pipeline Safety.
 2. Within 48 hours after notification pursuant to subsection (1), the Office of Pipeline Safety shall notify the operator either that:
 - a. The Office of Pipeline Safety is directing the operator to have the portion of the pipeline that was removed tested by a laboratory to determine the cause or causes of the failure.
 - b. The Office of Pipeline Safety is not directing laboratory testing and the operator may discard the portion of the pipeline that was removed.
 3. If the Office of Pipeline Safety directs laboratory testing pursuant to subsection (2)(a):
 - a. The Office of Pipeline Safety shall:
 - i. Determine the laboratory that will do the testing pursuant to subsection (4) and the period of time within which the testing is to be completed.
 - ii. Approve the number and types of tests to be performed.
 - iii. Notify the operator of its determinations pursuant to subsections (3)(a)(i) and (ii).
 - b. The operator shall:
 - i. Notify the Office of Pipeline Safety of the number and types of tests proposed by the operator.

Notices of Proposed Rulemaking

- ii. Notify the Office of Pipeline Safety of the date and time of any laboratory tests at least 20 days before the tests are done.
 - iii. At the request of the Office of Pipeline Safety, ensure that a representative of the Office of Pipeline Safety is permitted to observe any or all of the tests.
 - iv. Ensure that the original laboratory test results are provided to the Office of Pipeline Safety within 30 days of the completion of the tests.
 - v. Pay for the laboratory testing.
4. In determining a laboratory pursuant to subsection (3)(a)(i), the Office of Pipeline Safety shall:
- a. Submit a written request to at least three different laboratories for bids to conduct the testing.
 - b. Consider the qualifications of the respondent laboratories to perform the testing, including:
 - i. Past experience in performing the required test or tests according to ASTM International standards.
 - ii. Any recognition that the laboratory may demonstrate with national or international laboratory accreditation bodies.
 - c. Select the laboratory that offers the optimum balance between cost and demonstrated ability to perform the required test or tests.
 - d. The Office of Pipeline Safety shall not select a laboratory pursuant to this subsection before either of the following, which ever occurs first:
 - i. The Office of Pipeline Safety has received written bids from at least three different laboratories.
 - ii. Thirty days from the date of the request for bids has passed.

~~S.T.~~ All repair work performed on an existing intrastate pipeline transporting LNG, hazardous liquids, natural gas or other gas pipeline system will comply with the provisions of this Article.

~~T.U.~~ The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public and pipeline safety.

~~U.V.~~ To ensure compliance with provisions of this rule the Commission or an authorized representative thereof may enter the premises of an operator of an intrastate pipeline to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the pipeline system operation.

~~V.W.~~ All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.

R14-5-203. Pipeline Incident Reports and Investigations

A. Applicability. This rule applies to all intrastate pipeline systems.

B. Required incident reports by telephone:

- 1. Operators of an intrastate pipeline transporting LNG, natural gas or other gas pipeline system will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
 - a. The release of natural gas, other gas or liquefied natural gas (LNG) from a pipeline or LNG facility, when any of the following results:
 - i. Death or personal injury requiring hospitalization.
 - ii. An explosion or fire not intentionally set by the operator.
 - iii. Property damage, including the value of the gas lost, estimated in excess of \$5,000.
 - b. Emergency transmission pipeline shutdown.
 - c. News media inquiry.
 - d. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
 - e. Permanent or temporary discontinuance of gas service to a master meter system or when assisting with the isolation of any portion of a gas master meter system due to a failure of a leak test.
 - f. Emergency shutdown of a LNG process or storage facility.
- 2. Operators of an intrastate pipeline transporting hazardous liquid will notify by telephone the Office of Pipeline Safety upon discovery of the occurrence of any of the following:
 - a. Death or personal injury requiring hospitalization.
 - b. An explosion or fire not intentionally set by the operator.
 - c. Property damage estimated in excess of \$5,000.
 - d. Pollution of any land, stream, river, lake, reservoir, or other body of water that violates applicable environmental quality, water quality standards, causes a discoloration of the surface of the water or adjoining shoreline, or deposits sludge or emulsion beneath the surface of the water or upon adjoining shorelines.
 - e. News media inquiry.
 - f. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:

- i. Not otherwise reportable under this Section;
 - ii. Not one described in 49 CFR 195.52(a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - iii. Confined to company property or pipeline right-of-way; and
 - iv. Cleaned up promptly.
 - g. Any release of hazardous liquid or carbon dioxide, that was significant in the judgment of the operator even though it did not meet the criteria of any other subsection of this Section.
 3. Telephone incident reports will include the following information:
 - a. Name of the pipeline system operator,
 - b. Name of the reporting party,
 - c. Job title of the reporting party,
 - d. The reporting party's telephone number,
 - e. Location of the incident,
 - f. Time of the incident, and
 - g. Fatalities and injuries, if any.
- C. Require written incident report:
 1. Operators of an intrastate pipeline transporting natural gas, LNG or other gases will file a written incident report when an incident occurs involving a natural gas or other gas pipeline that results in any of the following:
 - a. An explosion or fire not intentionally set by the operator.
 - b. Injury to a person that results in one or more of the following:
 - i. Death.
 - ii. Loss of consciousness.
 - iii. Need for medical treatment requiring hospitalization.
 - c. Property damage, including the value of the lost gas, estimated in excess of \$5,000.
 - d. Emergency transmission pipeline shutdown.
 - e. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%.
 - f. Emergency shutdown of a LNG process or storage facility.
 2. Written incident reports concerning natural gas or other gas pipeline systems will be in the following form:
 - a. RSPA F7100.1 - Distribution System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - b. RSPA F7100.2 - Transmission and Gathering System: Incident Report, incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004.
 - c. Written incident reports with respect to LNG facilities will be in an investigative form defining the incident and corrective action taken to prevent a reoccurrence.
 3. Operators of an intrastate pipeline transporting hazardous liquid will make a written incident report on RSPA F 7000-1, (January 2001 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004, when there is a release of hazardous liquid which results in any of the following:
 - a. An explosion or fire not intentionally set by the operator.
 - b. Injury to a person that results in one or more of the following:
 - i. Death.
 - ii. Loss of consciousness.
 - iii. Inability to leave the scene of the incident unassisted.
 - iv. Need for medical treatment.
 - v. Disability which interferes with a person's normal daily activities beyond the date of the incident.
 - c. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
 - i. Not otherwise reportable under this Section;
 - ii. Not one described in 49 CFR 195.52 (a)(4); (1994 Revision and no future revisions), incorporated by reference and on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300,

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Phoenix, Arizona 85004.

- iii. Confined to company property or pipeline right-of-way; and
- iv. Cleaned up promptly.
- d. Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$5,000.
- e. News media inquiry.
4. Written incident reports as required in this Section will be filed with the Office of Pipeline Safety, within the time specified below:
 - a. Natural gas, LNG or other gas - within 20 days after detection.
 - b. Hazardous liquids - within 15 days after detection.
5. The Operators shall also file a copy of all DOT required written incident reports with the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.
6. Operators of a natural gas or other gas pipeline system will request a clearance from the Office of Pipeline Safety prior to turning on or reinstating service to a master meter operator.

D. Investigations by the Commission:

1. The Office of Pipeline Safety will investigate the cause of incidents resulting in death or serious injury.
2. Pursuant to an investigation under this rule, the Commission, or an authorized agent thereof, may:
 - a. Inspect all plant and facilities of a pipeline system.
 - b. Inspect all other property, books, papers, business methods, and affairs of a pipeline system.
 - c. Make inquiries and interview persons having knowledge of facts surrounding an incident.
 - d. Attend, as an observer, hearings and formal investigations concerning pipeline system operators.
 - e. Schedule and conduct a public hearing into an incident.
3. The Commission may issue subpoenas to compel the production of records and the taking of testimony.
4. Incidents not reported in accordance with the provisions of this rule will be investigated by the Office of Pipeline Safety.
5. Incidents referred to in incomplete or inaccurate reports will be investigated by the Office of Pipeline Safety.
6. Late filed incident reports will be accompanied by a letter of explanation. Incidents referred to in late filed reports may be investigated by the Office of Pipeline Safety.

R14-5-204. Annual Reports

- A. Except for operators of an intrastate pipeline transporting LNG, ~~hazardous liquid~~, all other intrastate pipeline operators will file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, the following appropriate report(s):

1. RSPA F 7000-1.1 (February 2004 and no future editions) – “Annual Report for calendar year 20___, hazardous liquid or carbon dioxide systems” and “Instructions for completing RSPA F 7000-1.1 Annual Report for calendar year 20___ hazardous liquid or carbon dioxide systems incorporated by reference, on file with the Secretary of State and copies available from the Commission Office of Pipeline Safety, 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, U.S. Department of Transportation, Room 2335, 400 Seventh Street, S.W., Washington, DC 20590.
- ~~1-2~~ RSPA F7100.1-1 (November 1985 Edition and no future editions) - “Annual Report for Calendar Year 20___, Gas Distribution System” and “Instructions for Completing RSPA Form F7100.1-1, Annual Report for Calendar Year 20___, Gas Distribution System”, incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.
- ~~2-3~~ RSPA F7100.2-1 (January 2002 Edition and no future editions) - “Annual Report for Calendar Year 20___, Gas Transmission and Gathering Systems” and “Instructions for Completing Form RSPA F7100.2-1, Annual Report for Calendar Year 20___, Gas Transmission and Gathering Systems”, incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, Room 8417, 400 Seventh Street, S.W., Washington, D.C. 20590.

- B. The operator will also file a copy of all required annual reports by March 15 to the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation, 400 Seventh Street S.W., Washington, D.C. 20590-0001.

R14-5-205. Master Meter System Operators

- A. Applicability. This rule applies to the construction, reconstruction, repair, emergency procedures, operation and maintenance of all master meter systems, as a condition of receiving service from public service corporations. Noncompliance with this rule by operators of a master meter system shall constitute grounds for termination of service by the public service corporation when informed in writing by the Office of Pipeline Safety. In case of an emergency, the Office of Pipeline Safety may give the public service corporation oral instructions to terminate service, with written confirmation to be furnished within 24 hours.
- B. Subject to the definitional changes in R14-5-201 and the revisions noted in subsection (C), the Commission adopts, incorporates, and approves as its own 49 CFR 191 and 192, revised as of ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- C. The above mentioned incorporated parts of 49 CFR, except Part 191, are revised as follows:
1. Substitute "Commission" where "Administrator of the Research and Special Programs Administration", or "Office of Pipeline Safety" (OPS) appear.
 2. Substitute Office of "Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the address for the Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Administration, U.S. Department of Transportation appears.
- D. Operators of a master meter system will establish an Operation and Maintenance Plan (O & M) including an emergency plan. The plans must be maintained at the master meter system location.
- E. Operators of a master meter system will not construct any part of a natural gas or other gas system under a building or permit a building to be placed over a pipeline. Within 180 days of discovery of a building being located over a pipeline, the operator shall remove the building from over the pipeline, relocate the pipeline or discontinue the service to the pipeline located under the building.
- F. Operators of a master meter system will not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in their systems.
- G. Operators of a master meter system will not use solvent cement to join together plastic pipe manufactured from different materials unless the operator utilizes a joining procedure in accordance with the specifications of 49 CFR 192, Subpart F, ~~January 16, 2002~~ January 15, 2004 (and no future amendments), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the United States Government Printing Office, P.O. Box 371975M, Pittsburgh, Pennsylvania 15250-7975.
- H. Operators of a master meter system that construct a pipeline or any portion thereof using plastic pipe will install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe, tracer wire may be taped, or attached in some manner to the pipe provided that the adhesive or the attachment is not detrimental to the integrity of the pipe wall.
- I. Operators of a master meter system that construct an underground pipeline ~~using plastic pipe~~, will bury the installed pipe with a minimum of 6 inches of sandy type soil surrounding the pipe for bedding and shading, free of any rock or debris, unless otherwise protected and approved by the Office of Pipeline Safety.
- J. Operators of a master meter system that construct an underground pipeline using plastic pipe will install the pipe with sufficient slack to allow for thermal expansion and contraction. ~~In addition, all plastic pipe shall be marked CD or CE as required by ASTM D2513-95e~~ In addition, all plastic pipe and fittings shall be marked "Gas" and shall be marked CD, CE, CF or CG as required by ASTM D2513 (1995c Edition and no future editions), incorporated by reference, on file with the Office of the Secretary of State and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASTM, 1916 Race Street, Philadelphia, Pennsylvania 19103-1187, for areas where the service temperature is above 100°F.
- K. Operators of a master meter gas system shall qualify welding procedures and shall perform welding of steel pipelines in accordance with API Standard 1104. Each welder must be qualified in accordance with API Standard 1104, 49 CFR 192, appendix A.
- L. All repair work performed on existing master meter systems will comply with the provisions of this Article.
- M. Operators of a master meter system will not construct any part of a natural gas or other gas system closer than 8 inches to any other underground structure.
- N. Operators of a master meter system will file a Notice of Construction 30 days prior to commencement of the construction of any pipeline. The Notice will contain the following information:
1. The dates of construction,
 2. The size and type of pipe to be used,
 3. The location of construction, and
 4. The Maximum Allowable Operating Pressure (MAOP).
- O. Operators of a master meter system will perform leakage surveys at intervals not exceeding 15 months but at least once

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each calendar year and will survey and grade all detected leakage by the following guide -- ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983 (1983 Revision and no future revisions), except 4.4(c), incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004 and the ASME, United Engineering Center, 345 East 47th Street, New York, New York 10017. ("Should" as referenced in the guide will be interpreted to mean "shall".) Leak detection procedures shall be approved by the Office of Pipeline Safety.

P. Laboratory testing of master meter systems shall be conducted in accordance with the following:

1. If an operator of a master meter system removes a portion of a pipeline that failed for any reason other than observable external corrosion or third-party damage, the operator shall retain the portion that was removed and shall notify the Office of Pipeline Safety of the removal within two hours after the removal is completed. A notice made pursuant to this subsection shall include all of the following:
 - a. Identity of the failed pipeline.
 - b. Location of the failure.
 - c. Date and time of the removal.
 - d. Length of the removed portion.
 - e. Storage location of the removed portion.
 - f. The operator's opinion regarding the probable cause or causes of the failure.
 - g. Any additional information about the failure or the removal of the portion of the pipeline that failed that is requested by the Office of Pipeline Safety.
2. Within 48 hours after notification pursuant to subsection (1), the Office of Pipeline Safety shall notify the operator either that:
 - a. The Office of Pipeline Safety is directing the operator to have the portion of the pipeline that was removed tested by a laboratory to determine the cause or causes of the failure.
 - b. The Office of Pipeline Safety is not directing laboratory testing and the operator may discard the portion of the pipeline that was removed.
3. If the Office of Pipeline Safety directs laboratory testing pursuant to subsection (2)(a):
 - a. The Office of Pipeline Safety shall:
 - i. Determine the laboratory that will do the testing pursuant to subsection (4) and the period of time within which the testing is to be completed.
 - ii. Approve the number and types of tests to be performed.
 - iii. Notify the operator of its determinations pursuant to subsections (3)(a)(i) and (ii).
 - b. The operator shall:
 - i. Notify the Office of Pipeline Safety of the number and types of tests proposed by the operator.
 - ii. Notify the Office of Pipeline Safety of the date and time of any laboratory tests at least 20 days before the tests are done.
 - iii. At the request of the Office of Pipeline Safety, ensure that a representative of the Office of Pipeline Safety is permitted to observe any or all of the tests.
 - iv. Ensure that the original laboratory test results are provided to the Office of Pipeline Safety within 30 days of the completion of the tests.
 - v. Pay for the laboratory testing.
4. In determining a laboratory pursuant to subsection (3)(a)(i), the Office of Pipeline Safety shall:
 - a. Submit a written request to at least three different laboratories for bids to conduct the testing.
 - b. Consider the qualifications of the respondent laboratories to perform the testing, including:
 - i. Past experience in performing the required test or tests according to ASTM International standards.
 - ii. Any recognition that the laboratory may demonstrate with national or international laboratory accreditation bodies.
 - c. Select the laboratory that offers the optimum balance between cost and demonstrated ability to perform the required test or tests.
 - d. The Office of Pipeline Safety shall not select a laboratory pursuant to this subsection before either of the following, which ever occurs first:
 - i. The Office of Pipeline Safety has received written bids from at least three different laboratories.
 - ii. Thirty days from the date of the request for bids has passed.

P.Q. Operators of a master meter system will file an annual report with the Commission on Commission Form 1-90/15M (1990 Edition and no future editions), "Annual Report for Calendar Year 20 __, Small Operators of Gas Distribution System," incorporated by reference, on file with the Office of the Secretary of State, and copies available from the Commission, Office of Pipeline Safety, ~~1200 West Washington, Phoenix, Arizona 85007~~ 2200 North Central Avenue, Suite 300, Phoenix, Arizona 85004. This report will be filed with the Office of Pipeline Safety not later than April 15 for the preceding calendar year.

~~Q.R.~~ The Commission may waive compliance with any of the aforementioned parts upon a finding that such a waiver is in the interest of public safety.

~~R.S.~~ To ensure compliance with provisions of this rule, the Commission or an authorized representative thereof, may enter the premises of an operator of a master meter system to inspect and investigate the property, books, papers, business methods, and affairs that pertain to the operation of the master meter system.

~~S.T.~~ All other Commission administrative rules are superseded to the extent they are in conflict with the pipeline safety provisions of this Article.