

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)

NOTICE OF PROPOSED RULEMAKING

TITLE 20. COMMERCE, FINANCIAL INSTITUTIONS, AND INSURANCE

CHAPTER 2. DEPARTMENT OF WEIGHTS AND MEASURES

Editor's Note: The following Notice of Proposed Rulemaking was reviewed per Laws 2009, 3rd Special Session, Ch. 7, § 28. (See the text of § 28 at 15 A.A.R. 1942, November 20, 2009.) The Governor's Office authorized the notice to proceed through the rulemaking process on February 9, 2010.

[R10-88]

PREAMBLE

- 1. Sections Affected**
R20-2-754
- Rulemaking Action**
Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. §§ 41-2065(A)(4)
Implementing statute: A.R.S. § 41-2083
- 3. List of all previous notices appearing in the Register addressing the proposed rules:**
Notice of Rulemaking Docket Opening: 16 A.A.R. 1228, July 9, 2010 (*in this issue*)
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Duane Yantorno
Address: Department of Weights and Measures
4425 W. Olive Ave., Suite 134
Glendale, AZ 85302
Telephone: (602) 771-4933
Fax: (623) 939-7825
E-mail: Dyantorno@azdwm.gov
- 5. An explanation of the rules, including the agency's reasons for initiating the rulemaking:**
In response to a five-year-review report approved by Council on February 6, 2007, the Department is amending this Section to clarify that third-party terminals as well as pipelines may blend transmix into Arizona CBG or AZRBOB.
- 6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not to 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, and any analysis of each study and other supporting material:**
None
- 7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules 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:**
Transmix is an off-grade product generally sold at a reduced price to a transmix processor. This rule change allows pipelines and third-party terminals to blend a small amount of transmix into a final product rather than selling it at a reduced price. This is an economic benefit to the pipelines and third-party terminals.

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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: Duane Yantorno
Address: Department of Weights and Measures
4425 W. Olive Ave., Suite 134
Glendale, AZ 85302
Telephone: (602) 771-4933
Fax: (623) 939-7825
E-mail: Dyantorno@azdwm.gov

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

To have an oral proceeding scheduled regarding the proposed rulemaking, submit a written request to the individual named in item 4 within 30 days after the Notice of Proposed Rulemaking is published in the *Arizona Administrative Register*.

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:

None

13. The full text of the rules follows:

TITLE 20. COMMERCE, FINANCIAL INSTITUTIONS, AND INSURANCE

CHAPTER 2. DEPARTMENT OF WEIGHTS AND MEASURES

ARTICLE 7. MOTOR FUELS AND PETROLEUM PRODUCTS

Section

R20-2-754. Downstream Blending Exceptions for Transmix

ARTICLE 7. MOTOR FUELS AND PETROLEUM PRODUCTS

R20-2-754. Downstream Blending Exceptions for Transmix

- A.** ~~Pipelines~~ A pipeline or third-party terminal may blend transmix into Arizona CBG or AZRBOB at a rate not to exceed 1/4 of 1% ~~percent~~ by volume. Each pipeline or third-party terminal shall document the transmix blending (recording each batch and volume of transmix blended) and maintain the records at the third-party terminal for two years from the date of blending.
- B.** No change
1. No change
 2. Tank gauge as per API Manual of Petroleum Measurement Standards, Chapters 3.1A (1st edition, December 1994) and 3.1B (1st edition, April 1992), incorporated by reference and on file with the Department ~~and the Office of the Secretary of State~~. A copy may also be obtained at American Petroleum Institute, 1220 L St., N.W., Washington, D.C. 20045-4070. This incorporation by reference contains no future editions or amendments.