

APA-1
07/04

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control No. _____ Department or Agency Alabama Liquefied Petroleum Gas Board
Rule No. 530-X-2-06
Rule Title: STORAGE AND HANDLING OF LIQUEFIED PETROLEUM GAS CODES.
_____ New Amend _____ Repeal _____ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? YES

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? YES

Is there another, less restrictive method of regulation available that could adequately protect the public? NO

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? YES

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? NO

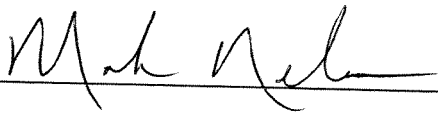
Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? YES

Does the proposed rule have an economic impact? YES

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 10/22/2013

(DATE FILED)
(STAMP)

APA-2
07/04

ALABAMA LIQUEFIED PETROLEUM GAS BOARD

NOTICE OF INTENDED ACTION

RULE NO. & TITLE:

530-X-2-.06 "STORAGE AND HANDLING OF LIQUEFIED PETROLEUM GAS CODES"

INTENDED ACTION: Amend

SUBSTANCE OF PROPOSED ACTION: The intent of the proposed amendment to this regulation is to adopt the 2011 edition of NFPA 58 with modifications by the Alabama Liquefied Petroleum Gas Board.

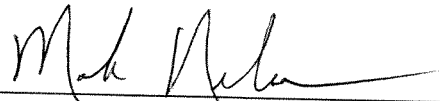
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held April 10, 2014 at 10:00 a.m., in the 2nd floor conference room located at the Alabama Liquefied Petroleum Gas Board, 777 South Lawrence Street, Montgomery, AL 36104. Copies of the proposed rule(s) can be obtained at www.lpgb.alabama.gov.

All interested parties may present their views in writing to the Administrator of the Alabama Liquefied Petroleum Gas Board, P.O. Box 1742, Montgomery, AL 36102-1742, (334-242-5649) Individuals may also appear in person at the public hearing and speak to their views submitted in written form.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
April 10, 2014 at the scheduled Public Hearing

CONTACT PERSON AT AGENCY:

Mark Nelson, Administrator
777 S. Lawrence St., Suite 100
Montgomery, AL 36104
Telephone: 334-241-8887
Fax: 334-240-2255



Mark Nelson, Administrator
Alabama Liquefied Petroleum Gas Board

530-X-2-.06 STORAGE AND HANDLING OF LIQUEFIED PETROLEUM GAS CODES. That the publication designated as NFPA 58, published by the National Fire Protection Association, be adopted as a part of the rules and regulations of the Alabama Liquefied Petroleum Gas Board; provided, however, that existing rules of the Board that conflict with NFPA 58 shall not be repealed by the adoption of this rule.

- (a) That any supplementary rules and regulations to said NFPA 58 adopted by the National Fire Protection Association at some future date must also be adopted by the Alabama Liquefied Petroleum Gas Board prior to enforcement in Alabama. NFPA 58 (1998- 2011 Edition), in its entirety, is the current edition adopted by the Board with ~~section 5-5 deleted and replaced as follows:~~

~~5-5 Storage locations, where the aggregate quantity of propane stored is in excess of 720 lb., shall be provided with at least one approved portable fire extinguisher having a minimum capacity of 18 lb. dry chemical with a B:C rating. The required fire extinguisher shall be located not more than 50 ft. from the storage location. Where fire extinguishers have more than one letter classification, they can be considered to satisfy the requirements of each letter class. the following sections amended to read:~~

4.3.3 Notification of intent for transfer of LP-Gas directly from railcar to cargo tank shall be submitted to the authority having jurisdiction before any transfer. The authority having jurisdiction shall have the authority to require inspection of the site or equipment for such transfer prior to any transfer.

5.7.4.2(C) Liquid withdrawal openings in existing installations where the container is equipped with an internal valve that is not fitted for remote closure and automatic shutoff using thermal (fire) actuation shall be equipped for remote and thermal closure within 5 years following adoption of this code.

5.7.4.2(D) Liquid withdrawal openings in existing installations shall be equipped with either of the following within 5 years following adoption of this code:

5.7.4.2(G) Liquid inlet openings in existing installations where the container is equipped with an internal valve that is not fitted for remote closure and automatic shutoff using thermal (fire) actuation shall be equipped for remote and thermal closure within 5 years following adoption of this code.

5.7.4.2(H) Liquid inlet openings in existing installations shall be equipped with any of the following within 5 years following adoption of this code:

6.11.1 The requirements of 6.11.2 through 6.11.5 shall be required for internal valves in liquid service that are installed in containers of over 4000 gal. water capacity within 5 years following adoption of this code.

6.18.2.5 System piping shall be designed to prevent debris from impeding the action of valves and other components of the piping system. This requirement shall be effective for existing installations by July 01, 2015.

14.1 This chapter includes requirements related to the operations and maintenance of bulk plant, industrial plant, refrigerated, marine, and pipeline LP-Gas systems. The provisions of this chapter shall be applicable to all new and existing installations. Existing installations shall comply with these requirements by July 01, 2015.

FISCAL NOTE

This fiscal note is provided in relation to the considered adoption of the 2011 edition of NFPA 58 by the Alabama LP-Gas Board.

1. **Determination of Need:** The last edition of NFPA 58 adopted by the Alabama LP-Gas Board was the 1998 edition 15 years ago. While actual code books can still be obtained, handbooks of that edition are no longer available making it difficult to provide such a valuable resource to regulatory and industry personnel. Also, knowledge obtained over the last 15 years allows for strengthening of code in technical areas related to accidents. Application of the previous adopted code over the last 15 years has also revealed areas where interpretations were needed. Code is better explained in the 2011 edition often in the direction of more practical application. The adoption of the 2011 edition of NFPA 58 will provide more safety for Alabama consumers by increasing professionalism of hazardous industry personnel through mandatory refresher training, relationship building with local emergency response personnel, and equipment upgrades and procedures readily accepted by the majority of the LP-Gas industry in Alabama.
2. **Cost / Benefit Analysis:** As far as costs benefit analysis, there is primarily one portion of the new code that raises costs objections from a minority of industry dealers. The new code requires the installation of a safety valve in large, bulk storage containers (18,000 & 30,000 water gallon capacity are most common) with an installation cost estimated at \$1200 per container. The vast majority of permit holders in Alabama (75% +) have voluntarily complied with this new regulation even though it was not yet adopted and required in Alabama. This valve requirement first appeared in the 2001 edition of code and a ten-year grace period was provided for dealers to comply. This is a one-time expenditure for a code that could have greatly enhanced the mitigation of two propane bulk storage accidents in Alabama over the last 15 years. The board's recommendation for the adoption of this particular portion of the code is to allow a five-year compliance period for installation of the required valve in an effort to coincide with other possible bulk plant maintenance during that period.
3. **Effect on Competition:** The new code would apply to all portions of the LP-gas industry in Alabama. Therefore, it would not affect competition among companies.
4. **Cost of Living:** The new code would have no impact on the cost of living and miniscule impact, if any, on doing business in the State of Alabama.
5. **Employment Effects:** The new code would have no obvious or known effect on employment in the State of Alabama.
6. **Enforcement Revenue:** No additional revenue will be required to enforce the new code as new code will be easily rolled into current code enforcement by the Alabama LP-Gas Board.

7. **Short-Term / Long-Term Economic Impact:** Obviously the short-term economic impact will be the investment cost of installing the required safety valve on each bulk storage container. The one-time cost is estimated to be \$ 1200 per bulk storage container that will be borne by the container owner. The long-term economic impact doesn't include additional investment expenses for the owner, but potential savings instead. Prevention of life endangerment and liability exposure is difficult to measure as far as economic costs but, when realized, they are the greatest negative costs within the LP-Gas industry. The persons that will benefit directly and indirectly are bulk plant employees and the general public. In two incidents in Alabama over the last 15 years related to the potential new code, employees were affected in one, and both employees and the general public were exposed to danger in the other. The new code cannot prevent release of LP-gas from bulk plant facilities, but it does provide for a pre-planned method of mitigation with multiple options. Without the new code there is no reasonable pre-plan available for safely mitigating the potential release through affected piping.
8. **Uncertainties of Benefits / Burdens:** As with any safety regulation, the benefits are the potential accidents prevented for which no one can definitively cite. The anticipation of accident prevention is based on knowledge obtained from past accidents and the very real potential for reoccurrence.
9. **Environment / Public Health:** The adoption of the new code is directed at maintaining safety in a hazardous material industry that affects many Alabama consumers particularly in rural areas of the state.
10. **Detrimental Effect on Public Health:** If the new code is not adopted, it is impossible to state that such action will have a definite detrimental effect on the public health in Alabama because it is most difficult to measure unrealized accidents. The code represents a standard that is widely adopted within the national and state industry, and it has evolved to both more stringent and relaxed standards based on practical application, knowledge, and experience.