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ARIZONA CORPORATION COMMISSION

RE: Master Meter (“MM”) and Small Liquefied Petroleum Gas (“LPG”) Distribution Integrity Management Plan (“DIMP”) Effective January 1, 2012

To Master Meter and Small LPG Operators,

DIMP is a newly enacted regulation by the Pipeline Hazardous Materials Safety Administration (“PHMSA”). The purpose of this new regulation is to assure that operators of gas distribution systems (including MM operators and small LPG operators) have the necessary knowledge of their system and its operation to assure that all necessary actions are being taken to mitigate as many of the associated risks to the public as possible.

In accordance with the new regulation each operator of a natural gas or LPG distribution system must develop and implement a DIMP plan. As you know, being a MM or small LPG operator, your gas distribution systems are included in this new regulation. As in the past, and in keeping with the mission of the Arizona Corporation Commission, Office of Pipeline Safety (“OPS”) which is to, “provide information and guidance to pipeline operators to ensure safe operation of pipeline facilities” the OPS has developed a DIMP plan to help you meet the requirements of the new regulation. The OPS DIMP Plan is designed as a tool to assist you in becoming more knowledgeable of the threats to your system and in determining what areas of your systems constitute the most risk. Once identified, you will be better equipped to address each identified risk to your system. As with other information we have provided in the past (Operations, Maintenance manuals, Emergency plans, Operator Qualifications, and Public Awareness plans) it will be your decision to either use the plan developed and provided by OPS, or develop a plan on your own that meets the requirements of the Code of Federal Regulation Title 49 Part 192 Sub-Part P, or purchase a plan from an outside source. The choice is yours to make.

Effective January 1, 2012, the OPS will begin to conduct annual inspections of MM and LPG operators. During your annual inspection our inspectors will also be reviewing and evaluating your DIMP plans.

Enclosed with this letter is a copy of the DIMP plan for your use along with instructions on how to fill out the plan and actions to be taken based on your answers to the threat category questions. Please review the plan carefully and answer all threat category questions as accurately as possible. The usefulness and effectiveness of the plan is dependent upon the accuracy of the information provided and the plans implementation by you, the operator.

Your continued interest in pipeline safety is appreciated. Should you have any questions please contact the Phoenix office at 602-262-5601.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Miller". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robert E. Miller
Pipeline Safety Supervisor
Pipeline Safety Section

Enclosures