

Title 19: Department of Insurance

Part 7: State Fire Marshal

Chapter 14: Rules and Regulations for Licensed Compressed Gas Installation and Repair: Leak Check Procedures and Requirements; Permitting Procedures

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Rule 14.01: Promulgation and Purpose - General

- A. These Rules and Regulations are promulgated by the Mississippi State Liquefied Compressed Gas Board (LC Gas Board), and approved by the Mississippi Commissioner of Insurance, in accordance with authority granted in Sections 75-57-3, 75-57-101 and 75-57-105 of the Mississippi Code of 1972, as amended.
- B. The purpose of these Rules and Regulations is to prevent the loss of life and property from fire and other related hazards. Specifically, this regulation shall further enforce and establish the “Leak Checks” procedures originally set forth in Mississippi Department of Insurance Bulletin No. 2010-4. Mississippi Code section 75-57-9 specifically adopts by reference certain national codes related to liquefied compressed gas safety, including but not limited to the National Fire Protection Association Code, Pamphlet 54 (NFPA-54). NFPA-54 provides for the performance of leak checks on new or interrupted service, and gives instructions/guidance as to how such leak checks are to be performed. This Regulation is to remind permit holders of the requirement that these checks be performed, and delineate the acceptable methods by which said checks must be completed.
- C. This regulation will clarify the procedures for the issuance, expiration and renewal for permits approved by the LC Gas Board, in order to ensure the financial responsibility requirements in Mississippi Code section 75-57-49 are continuously maintained as a condition of any permit issued or renewed.

Source: *Miss. Code § 75-57-1, et seq. (Supp. 2020)*

Rule 14.02: Definitions

- A. The definitions contained in Miss. Code § 75-57-5 are adopted and ratified for use in this regulation.
- B. For the purposes of this Regulation, a new customer includes any propane system that is new to the propane service provider, any existing system previously served by another propane service provider, and any customer returning to a service provider after being served by another propane service provider.
- C. An interruption of service to a propane system means any time any part of the system has a loss of pressure, for example, when a line is replaced, an appliance is repaired, or a new appliance is installed. All “out of gas” situations are interruptions of service. An out of gas situation occurs both when a tank is completely out of gas, or when the pressure becomes so low that appliances, heaters, etc., cannot operate and/or shut off, even though there may technically be some gas in the tank.

Source: *Miss. Code § 75-57-1, et seq., and Miss. Code § 75-57-5 (Supp. 2020)*

Rule 14.03: Applicability and Scope of Leak Check Requirements

The Leak Check requirements of this regulation shall apply to any installer or other person who shall install, connect, alter, extend, change or repair any liquefied compressed gas or compressed natural gas system, container or appliance whatsoever, or who shall install, connect, change, extend, alter or repair any piping or fitting connected with or attached to any liquefied compressed gas or compressed natural gas container, system or appliance.

Source: *Miss. Code § 75-57-1, et seq. (Supp. 2020)*

Rule 14.04: Leak Check Procedures and Requirements

- A. Leak Checks shall be performed on any interruption of service to an existing system or first time service of a new customer.
- B. Any method used for performing a leak check should be sufficient to actually find a leak if one exists. Suggested methods for performing a Leak Check include the proper use of lights, the use of a gas meter, and checks performed not using a gas meter, as set forth in NFPA-54.
- C. Leak Checks performed in occupied dwellings shall include an interior inspection of the propane system and appliances, and the reigniting pilots and appliances to assure proper operation of appliances.

- D. In the event that a leak is detected in a system, which will not be immediately repaired, then a “lockout” of the system shall be implemented at the service valve until the necessary repairs may be completed for the safe operation of the system. Lockout shall be required regardless of whether the system components are owned by the propane provider or the customer.
- E. Documentation of Leak Checks, including the items checked and the results of the check shall be kept on file at the branch or office serving the customer and must be made available to Mississippi LC Gas Inspectors upon request. It is recommended that the customer or customer representative, who is at least 18 years old, be present at the time the leak check is performed, and that the customer or customer representative sign the leak check documentation.

Source: *Miss. Code § 75-57-1, et seq. (Supp. 2020)*

14.05: Permitting Procedures

- A. Mississippi Code § 75-57-49 sets forth the Permittee requirements, including but not limited to the requirement for proof of good character, competency to transact business so as to safeguard the interest of the public, and financial responsibility. Proof of financial responsibility is complied with through the provision of Certificates of Insurance from the Permittee establishing the existence of appropriate insurance coverage, or through provision of surety bonds or personal bonds with appropriate conditions. The Certificates of Insurance provided typically sets forth a period of coverage of one (1) year.
- B. Before any person shall be granted a permit as a distributor or installer, either at wholesale or retail, he shall satisfy the State Liquefied Compressed Gas Board that he has sufficient insurance coverage as required by law and a copy of said policy shall be filed with the Liquefied Compressed Gas Division with the application for permit, and a copy of a policy shall be filed with the Liquefied Compressed Gas Division each year thereafter as long as the permit is in effect. No permit shall be issued that does not have a copy of the insurance policy attached to it. In the event coverage is cancelled or the insurer goes bankrupt or is sold, a distributor or installer shall file evidence of new coverage and failure to do so may result in a fine or a permit being suspended or cancelled until such time that new coverage has been obtained and proof supplied to the Liquefied Compressed Gas Division.
- C. Expiration of Permits: In order to ensure that Permittees are continually in compliance with the financial responsibility requirements, all Permit’s issued by the LC Gas Board shall have an expiration date equal to the last day of coverage evidenced on their most recent Certificate of Insurance on file with the LC Gas Division of the Mississippi Insurance Department. In the event that the Permittee has established financial responsibility through the provision of a surety

bond or a personal bond in accordance with Miss. Code § 75-57-49, then the expiration date for the permit shall equal the end period of the obligation under the surety bond or personal bond.

D. **Renewal of Permits:** In the case of approved Permittees who are reaching the expiration date of their permit, the permit shall automatically renew, without the need for action by the LC Gas Board, upon the provision by the Permittee to the LC Gas Division of the Mississippi Insurance Department, of a new or extended Certificate of Insurance, or surety / personal bond in compliance with the requirements of Miss. Code § 75-57-49. The renewed permit shall have and reflect an expiration date equal to the last day of coverage under the most current evidence of financial responsibility.

E. Before any person, firm or corporation shall enter the Liquefied Compressed Gas business as a distributor who plans to make retail or wholesale tank truck deliveries to consumers, and before a permit may be granted, such person, firm or corporation shall locate, within the State of Mississippi, a propane storage container of not less than 14,000 water gallons capacity and an aggregate total of propane storage containers of not less than 30,000 water gallons capacity for each permit granted. Before a permit is issued, a State Liquefied Compressed Gas Inspector shall inspect the facility to verify that the required storage capacity has been met by the applicant.

F. Any liquefied compressed gas dealer, or other person may apply to the Liquefied Compressed Gas Board to take an examination to qualify as an installer. The test shall be sufficient to test the knowledge of the applicant as to his qualifications for installing, repairing, altering, etc., equipment used in the handling of liquefied compressed gases and of his knowledge of the handling and storage of such gases.

G. **Permit Classes – Definitions:** The definitions included below are not meant to be all-inclusive and are only meant to provide a brief overview of key requirements or activities allowed under each Permit Class. The Liquefied Compressed Gas (“LC-Gas”) Board and/or the Mississippi Insurance Department shall have authority to determine which Permit Classes apply in certain situations.

Class 1: DISTRIBUTE LIQUEFIED PETROLEUM GAS (“LP-GAS”) TO CONSUMER (DEALERS PERMIT) – Holder may sell, distribute, store, or transport LP-GAS to consumers and may engage in any other LC-Gas activities allowed by Permit Classes 3, 5, 7, 8, 9 & 10. Holder shall locate, within Mississippi, a propane storage container of not less than fourteen thousand (14,000) water gallons capacity and an aggregate total of propane storage containers of not less than thirty thousand (30,000) water gallons capacity for each such Permit granted. No containers smaller than four thousand (4,000) water gallons capacity may be used to meet the thirty thousand (30,000) water gallons capacity aggregate total propane storage requirement. Holder may not engage in activities allowed under the following Permit Classes and/or the following Permit Classes do not apply to Class 1 Permit Holders: Permit Classes 2, 4 & 6.

Class 1A: BRANCH DEALER TO A CLASS 1 DEALER – Holder may operate an individual branch, division, or sub-division of a Class 1 Permit Holder and may act as an agent of a Class 1 Permit Holder.

Class 2: DISTRIBUTE ANHYDROUS AMMONIA TO CONSUMER – Holder may store, sell, transport or distribute anhydrous ammonia to consumers for commercial fertilizer purposes only.

Class 3: SELL, INSTALL, ALTER, CHANGE OR REPAIR LC-GAS SYSTEMS OR CONTAINERS – Holder may sell, install, alter, change or repair LC-Gas systems or containers.

Class 4: TRANSPORT OR DISTRIBUTE LC-GAS – Holder may transport or distribute LC-Gas to Class 1 Permit Holders, containers, railcars or holding terminals in Mississippi.

Class 5: DISTRIBUTE OR TRANSPORT FILLED LC-GAS CYLINDERS – Holder may sell, deliver, transport and service LC-Gas cylinders. Holder may establish cylinder exchange stations, deliver filled cylinders to exchange locations, service cylinders throughout Mississippi, or deliver filled cylinders to consumers.

Class 6: MANUFACTURE AND DISTRIBUTE LC-GAS CONTAINERS – Holder may manufacture and distribute LC-Gas containers or equipment to other Mississippi LC-Gas Permit Holders.

Class 7: SELL, INSTALL, ALTER, CHANGE OR REPAIR LC-GAS APPLIANCES ONLY – Holder may sell, install, alter, change or repair LC-Gas piping and appliances on the downstream side of the tank outlet valve only. Holder may not sell, install, alter, change or repair LC-Gas containers.

Class 8: FILL LC-GAS CYLINDERS AND/OR COMPRESSED GAS MOTOR FUEL CONTAINERS – Holder may fill LC-Gas cylinders and/or compressed gas motor fuel containers from a stationary filling station.

Class 9: SELL, INSTALL, ALTER, CHANGE OR REPAIR LC-GAS AND/OR OTHER COMPRESSED GAS CARBURETION SYSTEMS – Holder may sell, install, alter, change or repair LC-Gas and/or other compressed gas carburetion systems used on internal combustion engines that are permanently mounted on motor vehicles.

Class 10: CALIBRATE LC-GAS METERING EQUIPMENT– Holders may calibrate and/or repair LC-Gas metering equipment.

H. Permit Application Process: The Liquefied Compressed Gas Division of the Mississippi Insurance Department shall be responsible for publishing appropriate forms for use as an

application for permits, and such form shall be made available on the Mississippi Insurance Department's website.

Source: *Miss. Code §§ 75-57-49, 75-57-57, and 75-57-109 (Supp. 2020)*

Rule 14.06: Sanctions

Any persons or entities who shall violate the requirements of this regulation shall be subject permit revocation, cancellation or denial, as well as the assessment of fines, and other disciplinary actions in accordance with the administrative penalties set forth in Miss. Code § 75-57-107 and 75-57-109, as well as other provisions in the State Liquefied Petroleum Gas Laws in Miss. Code § 75-57-1 et seq.

Source: *Miss. Code § 75-57-1, et seq. (Supp. 2020)*

Rule 14.07: Severability

If any section or portion of a section of this Regulation or the application thereof is held by a court to be invalid, such invalidity shall not affect any other provision of that section or application of the Regulation which can be given effect without the invalid provision or application, and to this end the provisions of the Regulation are declared to be severable.

Source: *Miss. Code § 75-57-1, et seq. (Supp. 2020)*

Rule 14.08: Effective Date

This Regulation shall become effective July 1, 2021.

Source: *Miss. Code § 25-43-3.113 (Supp. 2020)*