

HOUSE BILL 1124

E4, C5

3lr2552
CF SB 863

By: **Delegates Stein, Cardin, ~~and Morhaim~~ Morhaim, and Kach**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 31, 2013

CHAPTER _____

1 AN ACT concerning

2 **Public Safety – Gas Pipelines – Implementation of Federal Pipeline Safety**
3 **Laws**

4 FOR the purpose of requiring the Public Service Commission to evaluate a certain
5 process and criteria that the U.S. Secretary of Transportation would use to
6 review an application for the Commission to act under a certain certification or
7 agreement with the U.S. Secretary of Transportation as an interstate authority
8 agent for the purpose of implementing certain federal pipeline safety laws;
9 requiring the Commission to make a certain determination; requiring the
10 Commission to take certain actions necessary to carry out its responsibilities
11 under a certain certification or agreement with the U.S. Secretary of
12 Transportation under certain circumstances and in accordance with certain
13 regulations; authorizing the Commission to accept grants-in-aid, cash, and
14 reimbursements to implement certain federal pipeline safety laws; authorizing
15 the Commission to charge a certain owner a certain fee for certain inspections of
16 gas pipelines; ~~requiring the Commission to regulate certain gas pipelines;~~
17 ~~requiring the Commission to adopt certain federal regulations as minimum~~
18 ~~standards for gas pipelines in the State; requiring a gas transmission company~~
19 ~~to comply with certain planning, notification, and reporting provisions;~~
20 ~~requiring a gas transmission company and the Commission to notify the~~
21 ~~National Response Center of certain errors or new information relating to a gas~~
22 ~~pipeline; authorizing the Commission to enter, inspect, and examine certain~~
23 ~~records and property of a gas transmission company for a certain purpose and~~
24 ~~under certain circumstances; requiring the Commission to inspect a gas pipeline~~
25 ~~with a certain frequency; authorizing the Commission to assess and collect a~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~certain inspection fee from a gas transmission company; authorizing the Commission to seek a certain relief for a violation of this Act; authorizing the Commission to impose a certain civil penalty for a violation of this Act; defining certain terms; providing for the jurisdiction and enforcement authority of the Commission; and generally relating to gas pipeline safety.~~

BY adding to

Article – Public Safety

Section 15–101 ~~through 15–108~~ and 15–102 to be under the new title “Title 15.

Gas Pipeline Safety”

Annotated Code of Maryland

(2011 Replacement Volume and 2012 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Public Safety

TITLE 15. GAS PIPELINE SAFETY.

15–101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.

(C) “GAS” MEANS NATURAL GAS, FLAMMABLE GAS, OR TOXIC OR CORROSIVE GAS.

(D) (1) “GAS PIPELINE” MEANS AN INTRASTATE TRANSMISSION LINE OR ANY PORTION OF AN INTERSTATE TRANSMISSION LINE LOCATED WITHIN THE STATE THAT:

~~(1)~~ (I) TRANSPORTS GAS FROM A GATHERING LINE OR STORAGE FACILITY TO A DISTRIBUTION CENTER, STORAGE FACILITY, OR LARGE VOLUME CUSTOMER THAT IS NOT DOWNSTREAM FROM A DISTRIBUTION CENTER;

~~(2)~~ (II) OPERATES AT A HOOP STRESS OF 20% OR MORE OF THE SPECIFIED MINIMUM YIELD STRENGTH OF THE PIPELINE; OR

~~(3)~~ (III) TRANSPORTS GAS WITHIN A STORAGE FIELD.

1 **(2) "GAS PIPELINE" DOES NOT INCLUDE ANY TRANSMISSION LINE**
2 **OR DISTRIBUTION LINE CONSTRUCTED, OWNED, OR OPERATED BY A PUBLIC**
3 **SERVICE COMPANY.**

4 **(E) (1) "GAS TRANSMISSION COMPANY" MEANS A PERSON THAT**
5 **OWNS OR OPERATES A GAS PIPELINE REGULATED UNDER THIS TITLE.**

6 **(2) "GAS TRANSMISSION COMPANY" DOES NOT INCLUDE A**
7 **PERSON THAT IS PRIMARILY IN THE BUSINESS OF LOCAL GAS DISTRIBUTION.**

8 ~~**(F) "NATIONAL RESPONSE CENTER" MEANS THE NATIONAL RESPONSE**~~
9 ~~**CENTER OF THE U.S. COAST GUARD, AUTHORIZED TO RECEIVE REPORTS OF**~~
10 ~~**INCIDENTS INVOLVING THE TRANSPORTATION OF OIL, HAZARDOUS LIQUIDS,**~~
11 ~~**AND GAS BY PIPELINE.**~~

12 **15-102.**

13 **(A) (1) ~~THE~~ ON OR BEFORE DECEMBER 1, 2013, THE COMMISSION,**
14 **THROUGH SHALL:**

15 **(I) EVALUATE THE PROCESS AND CRITERIA THE U.S.**
16 **SECRETARY OF TRANSPORTATION WOULD USE TO REVIEW AN APPLICATION**
17 **FOR CERTIFICATION OR AGREEMENT WITH THE U.S. SECRETARY OF**
18 **TRANSPORTATION UNDER 49 U.S.C. CHAPTER 601 WITH RESPECT TO**
19 **INTERSTATE PIPELINES LOCATED WITHIN THE STATE; AND**

20 **(II) DETERMINE WHETHER IT IS IN THE PUBLIC INTEREST**
21 **FOR THE COMMISSION TO APPLY FOR CERTIFICATION OR AGREEMENT WITH**
22 **THE U.S. SECRETARY OF TRANSPORTATION UNDER 49 U.S.C. CHAPTER 601,**
23 ~~**SHALL TO ACT FOR THE U.S. SECRETARY OF TRANSPORTATION TO IMPLEMENT**~~
24 **49 U.S.C. CHAPTER 601 WITH RESPECT TO INTERSTATE GAS PIPELINES**
25 **LOCATED WITHIN THE STATE.**

26 **(2) IF THE COMMISSION DETERMINES THAT IT IS IN THE PUBLIC**
27 **INTEREST FOR THE COMMISSION TO ACT FOR THE U.S. SECRETARY OF**
28 **TRANSPORTATION TO IMPLEMENT 49 U.S.C. CHAPTER 601 WITH RESPECT TO**
29 **INTERSTATE PIPELINES LOCATED WITHIN THE STATE, THE COMMISSION SHALL,**
30 **ON OR BEFORE JANUARY 1, 2014, APPLY FOR CERTIFICATION OR AGREEMENT**
31 **WITH THE U.S. SECRETARY OF TRANSPORTATION.**

32 **(B) ~~THE COMMISSION SHALL~~ IF THE COMMISSION ENTERS INTO A**
33 **CERTIFICATION OR AGREEMENT WITH THE U.S. SECRETARY OF**
34 **TRANSPORTATION TO ACT FOR THE U.S. SECRETARY OF TRANSPORTATION TO**
35 **IMPLEMENT 49 U.S.C. CHAPTER 601 WITH RESPECT TO INTERSTATE PIPELINES**

1 LOCATED WITHIN THE STATE, THE COMMISSION SHALL, IN ACCORDANCE WITH
2 FEDERAL REGULATIONS:

3 (1) MAKE PERIODIC CERTIFICATIONS AND REPORTS TO THE
4 ~~FEDERAL~~ U.S. DEPARTMENT OF TRANSPORTATION AS MAY BE REQUIRED
5 UNDER 49 U.S.C. CHAPTER 601; AND

6 (2) TAKE ANY OTHER ACTIONS NECESSARY TO CARRY OUT
7 RESPONSIBILITIES UNDER A CERTIFICATION OR AN AGREEMENT WITH THE U.S.
8 SECRETARY OF TRANSPORTATION UNDER THIS TITLE.

9 (C) THE COMMISSION MAY:

10 (1) ACCEPT GRANTS-IN-AID, CASH, AND REIMBURSEMENTS MADE
11 AVAILABLE TO THE STATE TO IMPLEMENT FEDERAL PIPELINE SAFETY LAWS OR
12 OTHER FEDERAL LAW; AND

13 (2) CHARGE AN OWNER OF AN INTERSTATE GAS PIPELINE A FEE
14 TO RECOVER THE COSTS OF THE INSPECTIONS OF THE OWNER'S INTERSTATE
15 GAS PIPELINES LOCATED WITHIN THE STATE, LESS ANY GRANTS PROVIDED
16 THROUGH THE U.S. DEPARTMENT OF TRANSPORTATION FOR INSPECTING
17 INTERSTATE PIPELINES.

18 ~~15-103.~~

19 ~~(A) (1) THE COMMISSION SHALL ADOPT REGULATIONS THAT~~
20 ~~ESTABLISH SAFETY STANDARDS AND PRACTICES APPLICABLE TO THE DESIGN,~~
21 ~~CONSTRUCTION, OPERATION, AND MAINTENANCE OF GAS PIPELINES.~~

22 ~~(2) FOR ANY PIPELINE REGULATORY PROGRAM THAT THE~~
23 ~~COMMISSION ESTABLISHES UNDER THIS TITLE, THE COMMISSION SHALL ADOPT~~
24 ~~AS MINIMUM STANDARDS THE FEDERAL SAFETY STANDARDS IN TITLE 49,~~
25 ~~C.F.R. PART 192.~~

26 ~~(B) THE COMMISSION SHALL REQUIRE A GAS TRANSMISSION COMPANY~~
27 ~~TO PREPARE, MAINTAIN, AND CARRY OUT A WRITTEN PLAN FOR THE OPERATION~~
28 ~~AND MAINTENANCE OF EACH GAS PIPELINE OWNED OR OPERATED BY THE GAS~~
29 ~~TRANSMISSION COMPANY.~~

30 ~~15-104.~~

31 ~~(A) A GAS TRANSMISSION COMPANY SHALL IMMEDIATELY NOTIFY THE~~
32 ~~COMMISSION AND THE NATIONAL RESPONSE CENTER OF ANY:~~

1 ~~(1) SIGNIFICANT ERROR IN INFORMATION THAT THE GAS~~
2 ~~TRANSMISSION COMPANY HAS PREVIOUSLY SUBMITTED TO EITHER UNIT; OR~~

3 ~~(2) SIGNIFICANT NEW INFORMATION THAT RELATES TO~~
4 ~~REPORTING CRITERIA OR OTHER INFORMATION THAT THE GAS TRANSMISSION~~
5 ~~COMPANY IS REQUIRED TO SUBMIT UNDER THIS TITLE.~~

6 ~~(B) THE COMMISSION SHALL NOTIFY THE NATIONAL RESPONSE~~
7 ~~CENTER OF ANY ERROR OR NEW INFORMATION THAT THE COMMISSION OR AN~~
8 ~~AGENT OF THE COMMISSION DISCOVERS WHILE:~~

9 ~~(1) PROVIDING TRAINING FOR GAS PIPELINES;~~

10 ~~(2) DEVELOPING REGULATIONS UNDER THIS TITLE; OR~~

11 ~~(3) INSPECTING A GAS PIPELINE.~~

12 ~~15-105.~~

13 ~~(A) THE COMMISSION MAY ENTER, INSPECT, AND EXAMINE, AT~~
14 ~~REASONABLE TIMES AND IN A REASONABLE MANNER, THE RECORDS AND~~
15 ~~PROPERTY OF A GAS TRANSMISSION COMPANY TO DETERMINE WHETHER THE~~
16 ~~GAS TRANSMISSION COMPANY IS ACTING IN COMPLIANCE WITH THIS TITLE,~~
17 ~~FEDERAL PIPELINE SAFETY REGULATIONS, AND REGULATIONS ADOPTED BY~~
18 ~~THE COMMISSION UNDER THIS TITLE.~~

19 ~~(B) THE COMMISSION SHALL INSPECT EACH GAS PIPELINE AT LEAST~~
20 ~~ONCE EACH YEAR.~~

21 ~~(C) THE COMMISSION MAY ASSESS AND COLLECT FROM A GAS~~
22 ~~TRANSMISSION COMPANY AN INSPECTION FEE THAT MAY BE USED BY THE~~
23 ~~COMMISSION FOR ADMINISTERING THE REGULATORY PROGRAM ESTABLISHED~~
24 ~~UNDER THIS TITLE.~~

25 ~~15-106.~~

26 ~~THE COMMISSION MAY BRING AN ACTION FOR INJUNCTIVE RELIEF IN A~~
27 ~~CIRCUIT COURT TO:~~

28 ~~(1) ENJOIN A VIOLATION OF THIS TITLE;~~

29 ~~(2) ENJOIN THE OPERATION OF A GAS PIPELINE; OR~~

1 ~~(3) ENFORCE A STANDARD ESTABLISHED BY THE COMMISSION~~
2 ~~UNDER THIS TITLE.~~

3 ~~15-107.~~

4 ~~(A) THE COMMISSION MAY IMPOSE ON A PERSON THAT VIOLATES THIS~~
5 ~~TITLE OR A REGULATION ADOPTED IN ACCORDANCE WITH THIS TITLE A CIVIL~~
6 ~~PENALTY THAT DOES NOT EXCEED THE MAXIMUM PENALTIES PROVIDED IN 49~~
7 ~~U.S.C. CHAPTER 601.~~

8 ~~(B) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION~~
9 ~~UNDER THIS SECTION.~~

10 ~~(C) TO DETERMINE THE AMOUNT OF A PENALTY IMPOSED UNDER THIS~~
11 ~~SECTION, THE COMMISSION SHALL CONSIDER:~~

12 ~~(1) THE NATURE, CIRCUMSTANCES, AND GRAVITY OF THE~~
13 ~~VIOLATION;~~

14 ~~(2) WITH RESPECT TO THE VIOLATOR:~~

15 ~~(I) THE DEGREE OF CULPABILITY;~~

16 ~~(II) ANY HISTORY OF PRIOR VIOLATIONS;~~

17 ~~(III) THE ABILITY TO PAY;~~

18 ~~(IV) ANY EFFECT ON THE ABILITY TO CONTINUE DOING~~
19 ~~BUSINESS; AND~~

20 ~~(V) GOOD FAITH IN ATTEMPTING TO COMPLY; AND~~

21 ~~(3) OTHER MATTERS THAT JUSTICE REQUIRES.~~

22 ~~15-108.~~

23 ~~THE COMMISSION HAS JURISDICTION OVER AND MAY ENFORCE THIS~~
24 ~~TITLE AND ANY REGULATION ADOPTED UNDER THIS TITLE TO THE SAME~~
25 ~~EXTENT AND IN THE SAME MANNER AS ANY PROVISION OF DIVISION I OF THE~~
26 ~~PUBLIC UTILITIES ARTICLE, AS PROVIDED IN TITLE 13 OF THE PUBLIC~~
27 ~~UTILITIES ARTICLE.~~

28 SECTION 2. AND BE IT FURTHER ENACTED, That, on completion of its
29 evaluation and determination under § 15-102(a) of the Public Safety Article, as
30 enacted by Section 1 of this Act, the Public Service Commission shall report to the

1 Governor and, in accordance with § 2-1246 of the State Government Article, the
2 General Assembly on its findings and conclusions.

3 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
4 effect October 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.