

AMENDED IN SENATE MAY 31, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 216

Introduced by Senator Yee

(Coauthors: Assembly Members Blumenfield, Ma, and Portantino)

February 9, 2011

An act to add Chapter 4.5 (commencing with Section 950) to Part 1 of Division 1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 216, as amended, Yee. Public utilities: intrastate natural gas pipeline safety.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations, as defined. The Public Utilities Act authorizes the commission to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or services to be furnished, imposed, observed, and followed by specified public utilities, including gas corporations.

Existing federal law requires the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to adopt minimum safety standards for pipeline transportation and for pipeline facilities, including an interstate gas pipeline facility and intrastate gas pipeline facility, as defined. Existing law authorizes the United States Secretary of Transportation to prescribe or enforce safety standards and practices for an intrastate pipeline facility or intrastate pipeline transportation to the extent that the safety standards and practices are regulated by a state authority that annually submits to the secretary a certification for the facilities and transportation or, alternatively, authorizes the secretary to make an agreement with a state

authority authorizing it to take necessary action to meet certain pipeline safety requirements. Existing law prohibits a state authority from adopting or continuing in force safety standards for interstate pipeline facilities or interstate pipeline transportation. Existing law authorizes a state authority that has submitted a current certification to adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with the minimum standards prescribed by the PHMSA.

This bill would designate the commission as the state authority responsible for regulating and enforcing intrastate gas pipeline transportation and pipeline facilities pursuant to federal law, including the development, submission, and administration of a state pipeline safety program certification for natural gas pipelines. ~~The bill would require the commission to evaluate current practices and to determine whether compatible transmission safety standards, as defined, should be adopted for the enhancement of public safety with respect to the proximity of pipelines carrying liquid materials to commission-regulated gas pipeline facilities, as defined, that are intrastate transmission lines, as defined.~~ The bill would require the commission, unless it determines that doing so is preempted under federal law, to require the installation of automatic shut-off or remote controlled sectionalized block valves on ~~all~~ *certain* intrastate transmission lines, *as defined*, that are located in a high consequence area, as defined, or that traverse an active seismic earthquake fault. The bill would require the owner or operator of a commission-regulated gas pipeline facility, *as defined*, that is an intrastate transmission line to provide the commission with a valve location plan, along with any recommendations for valve locations, and would authorize the commission to make modifications to the valve location plan.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.5 (commencing with Section 950) is
2 added to Part 1 of Division 1 of the Public Utilities Code, to read:

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CHAPTER 4.5. GAS PIPELINE SAFETY

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Article 1. General

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950. For purposes of this chapter, the following terms have the following meanings:

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(a) "Commission-regulated gas pipeline facility" means an intrastate gas pipeline facility as defined in Section 60101 of Title 49 of the United States Code, that is subject to the safety regulatory authority of the commission, including each of the following pipelines:

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(1) An intrastate distribution line, which is a pipeline that is not subject to the jurisdiction of the Federal Energy Regulatory Commission pursuant to Section 717(b) of Title 15 of the United States Code because it is used for the local distribution of natural gas.

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(2) An intrastate transmission line, which is a transmission pipeline that the commission, pursuant to Section 717(c) of Title 15 of the United States Code, has certified to the Federal Energy Regulatory Commission as being subject to the regulatory jurisdiction of the commission over rates and service. For these purposes, a transmission pipeline means a pipeline other than a gathering line that: (A) transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down stream from a distribution center, (B) operates at a hoop stress of 20 percent or more of specified maximum yield strength, or (C) transports gas within a storage field.

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1 (3) An intrastate gathering line, which is a pipeline that
2 transports gas from a current production facility to a transmission
3 line or main.

4 (4) A mobilehome park master-metered natural gas distribution
5 system that is subject to the commission’s safety inspection and
6 enforcement program pursuant to Chapter 4 (commencing with
7 Section 4351) of Division 2.

8 (5) A propane distribution system that is subject to the
9 commission’s safety inspection and enforcement program pursuant
10 to Chapter 4.1 (commencing with Section 4451) of Division 2.

11 (b) “Compatible transmission safety standards” means safety
12 standards that are applicable to an intrastate transmission line that
13 are in addition to, or more stringent than, the minimum safety
14 standards adopted by the United States Department of
15 Transportation pursuant to Chapter 601 (commencing with Section
16 60101) of Subtitle VIII of Title 49 of the United States Code, and
17 that the commission is authorized to adopt pursuant to subsection
18 (c) of Section 60104 of that chapter.

19 (c) “High consequence area” has the same meaning as defined
20 in the regulations adopted by the United States Department of
21 Transportation pursuant to Chapter 601 (commencing with Section
22 60101) of Subtitle VIII of Title 49 of the United States Code (49
23 C.F.R. 192.903, as adopted January 1, 2011, or a successor
24 regulation).

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26 Article 2. Natural Gas Pipeline Safety Act of 2011

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28 955. (a) This article shall be known and may be cited as the
29 Natural Gas Pipeline Safety Act of 2011.

30 (b) The commission is the state authority responsible for
31 regulating and enforcing intrastate gas pipeline transportation and
32 pipeline facilities pursuant to Chapter 601 (commencing with
33 Section 60101 of Subtitle VIII of Title 49 of the United States
34 Code, including the development, submission, and administration
35 of a state pipeline safety program certification pursuant to Section
36 60105 of that chapter.

37 (c) The State Fire Marshal shall exercise exclusive safety
38 regulatory and enforcement authority over intrastate hazardous
39 liquid pipelines pursuant to the Elder California Pipeline Safety
40 Act of 1981 (Chapter 5.5 (commencing with Section 51010) of

1 Division 1 of Title 5 of the Government Code and Section 13107.5
2 of the Health and Safety Code).

3 ~~957. (a) The commission shall open an appropriate proceeding~~
4 ~~or joint proceedings, or expand the scope of an existing proceeding,~~
5 ~~to evaluate current practices and to determine whether compatible~~
6 ~~transmission safety standards should be adopted for the~~
7 ~~enhancement of public safety, with respect to the proximity of~~
8 ~~pipelines carrying liquid materials to intrastate transmission lines.~~
9 ~~As part of this evaluation, the commission shall evaluate current~~
10 ~~practices with respect to, and the desirability of adopting~~
11 ~~compatible safety standards for, the separation of intrastate~~
12 ~~transmission lines and pipelines that carry water used for fire~~
13 ~~suppression in the event of a fire involving a commission-regulated~~
14 ~~gas pipeline facility. As part of this evaluation, and in consultation~~
15 ~~with the State Fire Marshal, the commission shall also evaluate~~
16 ~~current practices and the desirability of adopting compatible~~
17 ~~transmission safety standards with respect to the proximity of~~
18 ~~intrastate transmission lines and pipelines used for the~~
19 ~~transportation of hazardous liquid substances or highly volatile~~
20 ~~liquid substances that are under the safety responsibility of the~~
21 ~~State Fire Marshal pursuant to the Elder California Pipeline Safety~~
22 ~~Act of 1981 (Chapter 5.5 (commencing with Section 51010) of~~
23 ~~Division 1 of Title 5 of the Government Code) or Section 13107.5~~
24 ~~of the Health and Safety Code.~~

25 ~~(b)~~

26 ~~957. (a) (1) Unless the commission determines that it is~~
27 ~~prohibited from doing so by subdivision (c) of Section 60104 of~~
28 ~~Title 49 of the United States Code, the commission shall require~~
29 ~~the installation of automatic shut-off or remote controlled~~
30 ~~sectionalized block valves on both of the following facilities, *if it*~~
31 ~~*determines those valves are necessary for the protection of the*~~
32 ~~*public:*~~

33 ~~(A) Intrastate transmission lines that are located in a high~~
34 ~~consequence area.~~

35 ~~(B) Intrastate transmission lines that traverse an active seismic~~
36 ~~earthquake fault.~~

37 ~~(2) Each owner or operator of a commission-regulated gas~~
38 ~~pipeline facility that is an intrastate transmission line shall provide~~
39 ~~the commission with a valve location plan, along with any~~
40 ~~recommendations for valve locations. The commission may make~~

1 modifications to the valve location plan or provide for variations
2 from any location requirements adopted by the commission
3 pursuant to this section that it deems necessary or appropriate and
4 consistent with protection of the public.

5 (3) The commission shall additionally establish action timelines,
6 adopt standards for how to prioritize installation of automatic
7 shut-off or remote controlled sectionalized block valves pursuant
8 to paragraph (1), ensure that remote and automatic shut-off valves
9 are installed as quickly as is reasonably possible, and establish
10 ongoing procedures for monitoring progress in achieving the
11 ~~compatible transmission safety standards. requirements of this~~
12 ~~section.~~

13 (e)
14 (b) The commission shall authorize recovery in rates for all
15 reasonably incurred costs incurred for implementation of the
16 ~~compatible safety standards. requirements of this section.~~

17 (d)
18 (c) The commission, in consultation with the Pipeline and
19 Hazardous Materials Safety Administration of the United States
20 Department of Transportation, shall adopt and enforce compatible
21 safety standards for commission-regulated gas pipeline facilities
22 that the commission determines should be adopted ~~following its~~
23 ~~evaluation conducted pursuant to subdivision (e), and those~~
24 ~~conditionally required to be adopted pursuant to subdivision (d).~~
25 ~~to implement the requirements of this section.~~

26 SEC. 2. No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the penalty
31 for a crime or infraction, within the meaning of Section 17556 of
32 the Government Code, or changes the definition of a crime within
33 the meaning of Section 6 of Article XIII B of the California
34 Constitution.