

Agriculture & Ecology Committee

HB 1452

Brief Description: Ensuring a sustainable, comprehensive pipeline safety program in the state.

Sponsors: Representatives Linville, G. Chandler, Ruderman, Cooper, Barlean, Ericksen, Quall, Marine, Conway, Rockefeller, Kenney, Pearson, Schual-Berke, Van Luven, Kagi, Keiser, Santos and Wood; by request of Utilities & Transportation Commission.

Brief Summary of Bill

- *Establishes an annual pipeline safety fee payable by every gas company, interstate gas pipeline company and hazardous liquid pipeline company subject to inspection and enforcement by the Utilities and Transportation Commission (UTC).*
- *Requires the UTC to establish by rule methodology for setting fees and establishes procedures for assessment of late fees and issuance of refunds.*
- *Specifies that civil penalties for failure to notify the one-number locator service or for damaging underground facilities are deposited into the public service revolving fund.*
- *Repeals provisions transferring powers, duties and functions related to hazardous liquid pipeline safety from the UTC to the DOE.*

Hearing Date: 2/8/01

Staff: Caroleen Dineen (786-7156).

Background:

The United States Department of Transportation (USDOT) has authority under federal law to regulate pipeline transportation of natural gas and hazardous liquids. The federal Office of Pipeline Safety (OPS) administers the federal pipeline safety program. Federal pipeline safety regulations address, among other issues, the design, construction,

inspection, operation, and maintenance of pipeline facilities and the administration of the pipeline safety program.

The OPS may certify a state to assume the federal regulatory, inspection, and enforcement responsibilities for intrastate natural gas and hazardous liquid pipelines. The OPS also may enter into agreements with states not meeting the intrastate certification criteria to assume certain aspects of the federal intrastate pipeline safety program. According to information from the OPS, 47 states participate in the natural gas pipeline safety program, and 15 states participate in the intrastate hazardous liquid pipeline safety program. Washington participates in both intrastate programs.

The OPS also may authorize a state to act as its agent for inspection of interstate pipelines. However, the OPS retains enforcement authority in all states, including those with authorized agents. As of 1999, nine states had received authorization to act as interstate agents for natural gas pipelines, and four had received federal authority for hazardous liquid pipelines. Last year the Washington Utilities and Transportation Commission (UTC) received authorization to inspect interstate natural gas and hazardous liquid pipelines during construction, operation, and after incidents.

The OPS has authority to reimburse a state up to 50 percent of the actual costs of its pipeline safety program. According to the OPS, actual federal funding depends on both the state program's performance and the availability of appropriated funds.

The Washington State Pipeline Safety Act of 2000 required the UTC to develop and implement a comprehensive hazardous liquid pipeline safety program consistent with federal law. In addition to other requirements, the 2000 legislation:

- Required the UTC and the Department of Ecology (DOE) to seek federal authority to act as federal agents to inspect and enforce federal law and to seek authority to adopt safety standards over interstate hazardous liquid pipelines;*
- Required the UTC to transfer all powers and duties related to hazardous liquid pipelines to the DOE if either the federal interstate pipeline preemption was lifted or the interstate pipeline authority was granted to the DOE;*
- Allowed the UTC to collect fees after obtaining authority to act as a federal agent; and*
- Created a new hazardous liquid pipeline safety account for use by the DOE in performing pipeline inspections.*

Summary of Bill:

An annual pipeline safety fee is established. The fee is payable by every gas company, interstate gas pipeline company and hazardous liquid pipeline company subject to inspection and enforcement by the Utilities and Transportation Commission (UTC). The UTC is required to establish by rule the methodology for setting fees for various entities. The aggregate amount of fees must be sufficient to cover the administrative costs of the

pipeline safety program, considering any federal funds received to offset these costs.

Provisions are included regarding records to be kept by the UTC related to this program. Procedures for refund petitions and assessment of late fees are specified.

Provisions transferring powers, duties and functions related to hazardous liquid pipeline safety from the UTC to the DOE upon federal delegation of authority are repealed.

Civil penalties for failure to notify the one-number locator service or for damaging underground facilities are deposited into the public service revolving fund. The hazardous liquid pipeline safety account is repealed.

Appropriation: *None.*

Fiscal Note: *Requested.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*