S-1173.2

## SUBSTITUTE SENATE BILL 5225

State of Washington 60th Legislature 2007 Regular Session

**By** Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Oemig, Poulsen, Honeyford and Spanel; by request of Utilities & Transportation Commission)

READ FIRST TIME 02/01/07.

AN ACT Relating to regulation of gas and hazardous liquid pipelines; amending RCW 81.88.010, 81.88.040, 81.88.050, 81.88.060, 81.88.080, 81.88.090, 81.88.100, 19.122.020, and 81.04.490; adding a new section to chapter 81.88 RCW; and repealing RCW 80.28.205, 80.28.207, 80.28.210, 80.28.212, 80.28.215, and 81.88.150.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 81.88.010 and 2001 c 238 s 6 are each amended to read 8 as follows:

9 The definitions in this section apply throughout this chapter 10 unless the context clearly requires otherwise.

11 (1) "Commission" means the utilities and transportation commission.

12 (2) (("Failsafe" means a design feature that will maintain or 13 result in a safe condition in the event of malfunction or failure of a 14 power supply, component, or control device.

15 (3)) "Gas" means natural gas, flammable gas, or toxic or corrosive 16 gas.

17 (((4))) (3) "Gas pipeline" means all parts of a pipeline facility 18 through which gas moves in transportation, including, but not limited 19 to, line pipe, valves, and other appurtenances connected to line pipe,

((pumping units, fabricated assemblies associated with pumping units, 1 2 metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Gas pipeline" does not include process or transfer 3 pipelines)) compressor units, metering stations, regulator stations, 4 delivery stations, holders, and fabricated assemblies. "Gas pipeline" 5 б does not include any pipeline facilities, other than a master meter 7 system, owned by a consumer or consumers of the gas, located exclusively on the consumer or consumers' property, and none of the gas 8 leaves that property through a pipeline. 9

(((5))) (4) "Gas pipeline company" means a person or entity 10 constructing, owning, or operating a gas pipeline for transporting gas. 11 12 ((A)) <u>"Gas pipeline company" includes a person or entity owning or</u> 13 operating a master meter system. "Gas pipeline company" does not include((: (a) Distribution systems owned and operated under franchise 14 for the sale, delivery, or distribution of natural gas at retail; or 15 (b))) excavation contractors or other contractors that contract with a 16 17 gas pipeline company.

18 ((<del>(6)</del>)) <u>(5)</u> "Hazardous liquid" means: (a) Petroleum, petroleum 19 products, or anhydrous ammonia as those terms are defined in 49 C.F.R. 20 Part 195 ((<del>in effect March 1, 1998</del>)); and (b) carbon dioxide.

21 ((<del>(7)</del>)) <u>(6) "Hazardous liquid pipeline" means all parts of a</u> pipeline facility through which a hazardous liquid moves in 22 transportation including, but not limited to, line pipe, valves, and 23 24 other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery 25 26 stations and fabricated assemblies therein, and breakout tanks. 27 "Hazardous liquid pipeline" does not include all parts of a pipeline facility through which a hazardous liquid moves in transportation 28 through refining or manufacturing facilities or storage or in-plant 29 piping systems associated with such facilities, a pipeline subject to 30 safety regulations of the United States coast guard, or a pipeline that 31 serves refining, manufacturing, or truck, rail, or vessel terminal 32 facilities, if the pipeline is less than one mile long, measured 33 outside facility grounds, and does not cross an offshore area or a 34 35 waterway used for commercial navigation.

36 <u>(7) "Hazardous liquid pipeline company" means a person or entity</u>
37 <u>constructing, owning, or operating a hazardous liquid pipeline.</u>

1 <u>"Hazardous liquid pipeline company" does not include excavation</u>
2 <u>contractors or other contractors that contract with a hazardous liquid</u>
3 <u>pipeline company.</u>

4 (8) "Line pipe" means a tube, usually cylindrical, through which a
5 hazardous liquid or gas is transported from one point to another.

6 (9) "Local government" means a political subdivision of the state
7 ((or a city or town)).

8 ((<del>(8)</del>)) <u>(10)</u> "Master meter system" means a pipeline system for 9 distributing gas within, but not limited to, a definable area, such as 10 a mobile home park, housing project, or apartment complex, where the 11 operator purchases metered gas from an outside source for resale 12 through a gas distribution pipeline system. The gas distribution 13 pipeline system supplies the ultimate consumer who either purchases the 14 gas directly through a meter or by any other means, such as by rents.

15 (11) "Person" means an individual, partnership, franchise holder, 16 association, corporation, a state, a city, <u>a town</u>, a county, or any 17 <u>other</u> political subdivision or instrumentality of a state, and its 18 employees, agents, or legal representatives.

19 (((9) "Pipeline," "pipeline system," or "hazardous liquid pipeline" 20 means all parts of a pipeline facility through which a hazardous liquid 21 moves in transportation, including, but not limited to, line pipe, 22 valves, and other appurtenances connected to line pipe, pumping units, 23 fabricated assemblies associated with pumping units, metering and 24 delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or 25 26 transfer pipelines.

27 (10) "Pipeline company" or "hazardous liquid pipeline company" 28 means a person or entity constructing, owning, or operating a pipeline 29 for transporting hazardous liquid. A "pipeline company" does not 30 include: (a) Distribution systems owned and operated under franchise 31 for the sale, delivery, or distribution of natural gas at retail; or 32 (b) excavation contractors or other contractors that contract with a 33 pipeline company.

34 (11) "Reportable release" means a spilling, leaking, pouring, 35 emitting, discharging, or any other uncontrolled escape of a hazardous 36 liquid in excess of one barrel, or forty-two gallons.

37 (12) "Safety management systems" means management systems that

include coordinated and interdisciplinary evaluations of the effect of significant changes to a pipeline system before such changes are implemented.

4 (13) "Transfer pipeline" means a buried or aboveground pipeline used to carry oil between a tank vessel or transmission pipeline and 5 the first valve inside secondary containment at the facility provided 6 7 that any discharge on the facility side of that first valve will not directly impact waters of the state. A transfer pipeline includes 8 valves, and other appurtenances connected to the pipeline, pumping 9 10 units, and fabricated assemblies associated with pumping units. A transfer pipeline does not include process pipelines, pipelines 11 12 carrying ballast or bilge water, transmission pipelines, or tank vessel 13 or storage tanks.

14 (14) "Transmission pipeline" means a gas pipeline that transports 15 gas within a storage field, or transports gas from an interstate 16 pipeline or storage facility to a distribution main or a large volume 17 gas user, or operates at a hoop stress of twenty percent or more of the 18 specified minimum yield strength.))

## 19 (12) "Pipeline company," without further qualification, means a 20 hazardous liquid pipeline company or a gas pipeline company.

21 **Sec. 2.** RCW 81.88.040 and 2000 c 191 s 3 are each amended to read 22 as follows:

23 (1) A person, officer, agent, or employee of a pipeline company 24 who, as an individual or acting as an officer, agent, or employee of such a company, violates or fails to comply with this chapter or a rule 25 26 adopted under ((this section)) RCW 81.88.060 or section 5 of this act, or who procures, aids, or abets another person or entity in the 27 violation of or noncompliance with this ((section)) chapter or a rule 28 adopted under ((this section)) RCW 81.88.060 or section 5 of this act, 29 30 is guilty of a gross misdemeanor.

31 (2)(a) A pipeline company, or any person, officer, agent, or 32 employee of a pipeline company that violates a provision of this 33 ((section)) chapter, or a rule adopted under ((this section)) <u>RCW</u> 34 <u>81.88.060 or section 5 of this act</u>, is subject to a civil penalty to be 35 assessed by the commission.

36 (b) The commission shall adopt rules: (i) Setting penalty amounts,

but may not exceed the penalties specified in the federal pipeline safety laws, 49 U.S.C. Sec. 60101 et seq.; and (ii) establishing procedures for mitigating penalties assessed.

4 (c) In determining the amount of the penalty <u>in a particular</u> 5 <u>instance</u>, the commission shall consider: (i) The appropriateness of 6 the penalty in relation to the position of the person charged with the 7 violation; (ii) the gravity of the violation; and (iii) the good faith 8 of the person or company charged in attempting to achieve compliance 9 after notification of the violation.

(d) The amount of the penalty may be recovered in a civil action in the superior court of Thurston county or of some other county in which the violator may do business. In all actions for recovery, the rules of evidence shall be the same as in ordinary civil actions. All penalties recovered under this section must be paid into the state treasury and credited to the ((hazardous liquid)) pipeline safety account.

17 (3) The commission shall adopt rules incorporating by reference 18 other substances designated as hazardous by the secretary of 19 transportation under 49 U.S.C. Sec. 60101(a)(4).

20 (4) The commission ((shall also have the power of)) may seek 21 injunctive relief((, as required by 49 U.S.C. Sec. 60105(b),)) to 22 enforce the provisions of this chapter.

(5) Nothing in this section duplicates the authority of the energyfacility site evaluation council under chapter 80.50 RCW.

25 **Sec. 3.** RCW 81.88.050 and 2001 c 238 s 7 are each amended to read 26 as follows:

27 (((1))) The pipeline safety account is created in the custody of the state treasurer. All fees received by the commission for the 28 pipeline safety program according to RCW 80.24.060 and 81.24.090 and 29 all receipts from the federal office of pipeline safety and any other 30 31 state or federal funds provided for pipeline safety shall be deposited in the account((, except as provided in subsection (2) of this 32 section)). Any ((fines)) penalties collected under this chapter, or 33 otherwise designated to this account must be deposited in the account. 34 Moneys in the account may be spent only after appropriation. 35 36 Expenditures from the account may be used only for funding pipeline 37 safety.

- 1 (((2) Federal funds received before June 30, 2001, shall be treated 2 as receipt of unanticipated funds and expended, without appropriation, 3 for the designated purposes.))
- 4 **Sec. 4.** RCW 81.88.060 and 2001 c 238 s 9 are each amended to read 5 as follows:

6 (1) ((A comprehensive program of hazardous liquid pipeline safety
7 is authorized by RCW 81.88.010, 81.88.040, 81.88.050, 81.88.090,
8 81.88.100, 48.48.160, and this section to be developed and implemented
9 consistent with federal law. The commission shall administer and
10 enforce all laws related to hazardous liquid pipeline safety.

11 (2) The commission shall adopt rules for pipeline safety standards 12 for hazardous liquid pipeline transportation that:

(a) Require pipeline companies to design, construct, operate, and
 maintain their pipeline facilities so they are safe and efficient;

- 15 (b) Require pipeline companies to rapidly locate and isolate all 16 reportable releases from pipelines, that may include:
- 17 (i) Installation of remote control shut-off valves; and
- 18 (ii) Installation of remotely monitored pressure gauges and meters;

19 (c) Require the training and certification of personnel who operate
20 pipelines and the associated systems;

21 (d) Require reporting of emergency situations, including emergency 22 shutdowns and material defects or physical damage that impair the 23 serviceability of a pipeline; and

24 (e) Require pipeline companies to submit operations safety plans to 25 the commission once every five years, as well as any amendments to the 26 plan made necessary by changes to the pipeline system or its operation. 27 The safety plan shall include emergency response procedures.

(3) The commission shall approve operations safety plans if they have been deemed fit for service. A plan shall be deemed fit for service when it provides for pipelines that are designed, developed, constructed, operated, and periodically modified to provide for protection of public safety and the environment. Pipeline operations safety plans shall, at a minimum, include:

- 34 (a) A schedule of inspection and testing within the pipeline 35 distribution system of:
- 36 (i) All mechanical components;
- 37 (ii) All electronic components; and

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(iii) The structural integrity of all pipelines as determined 2 through pressure testing, internal inspection tool surveys, or another

- 3 appropriate technique;
- 4 (b) Failsafe systems;
- (c) Safety management systems; and 5
- (d) Emergency management training for pipeline operators. 6

7 (4) The commission shall coordinate information related to pipeline 8 safety by providing technical assistance to local planning and siting 9 authorities.

10 (5) The commission shall evaluate, and consider adopting, proposals 11 developed by the federal office of pipeline safety, the national transportation safety board, and other agencies and organizations 12 13 related to methods and technologies for testing the integrity of pipeline structure, leak detection, and other elements of pipeline 14 operation.)) (1) Each hazardous liquid pipeline company shall design, 15 construct, operate, and maintain its hazardous liquid pipeline so that 16 it is safe and efficient. Each hazardous liquid pipeline company is 17 responsible for the conduct of its contractors regarding compliance 18 19 with pipeline safety requirements.

20 (2) The commission shall develop and administer a comprehensive 21 program of pipeline safety in accordance with this chapter.

(3) The commission may adopt rules to carry out the purposes of 22 this chapter as long as the rules are compatible with minimum federal 23 24 requirements.

(4) The commission shall coordinate information related to 25 hazardous liquid pipeline safety by providing technical assistance to 26 27 local planning and siting authorities.

28 NEW SECTION. Sec. 5. A new section is added to chapter 81.88 RCW 29 to read as follows:

(1) Each gas pipeline company shall design, construct, operate, and 30 31 maintain its gas pipeline so that it is safe and efficient. Each gas pipeline company is responsible for the conduct of its contractors 32 regarding compliance with pipeline safety requirements. 33

34 (2) The commission shall develop and administer a comprehensive 35 program of gas pipeline safety in accordance with this chapter.

36 (3) The commission may adopt rules to carry out the purposes of 1 this chapter as long as the rules are compatible with minimum federal 2 requirements.

3 (4) The commission shall coordinate information related to natural
4 gas pipeline safety by providing technical assistance to local planning
5 and siting authorities.

6 **Sec. 6.** RCW 81.88.080 and 2000 c 191 s 7 are each amended to read 7 as follows:

8 (1) The commission shall require hazardous liquid pipeline 9 companies, and gas pipeline companies with interstate pipelines, ((gas 10 transmission pipelines,)) or gas pipelines operating over two hundred 11 fifty pounds per square inch gauge, to provide accurate maps of 12 ((their)) these pipelines to specifications developed by the commission 13 sufficient to meet the needs of first responders ((including 14 installation depth information when known)).

(2) The commission shall evaluate the sufficiency of the maps and 15 16 consolidate the maps into a statewide geographic information system. 17 The commission shall assist local governments in obtaining hazardous liquid and gas pipeline location information and maps. The maps shall 18 be made available to the one-number locator services as provided in 19 20 chapter 19.122 RCW. The mapping system shall be consistent with the 21 United States department of transportation national pipeline mapping 22 program.

(3) The <u>commission shall periodically update the</u> mapping system ((shall be completed by January 1, 2006, and periodically updated thereafter. The commission shall develop a plan for funding the geographic information system and report its recommendations to the legislature by December 15, 2000)).

28 **Sec. 7.** RCW 81.88.090 and 2001 c 238 s 10 are each amended to read 29 as follows:

30 (((1))) The commission shall ((apply for)) maintain federal 31 ((delegation)) certification for the state's pipeline safety program 32 ((for the purposes of enforcement of federal hazardous liquid pipeline 33 safety requirements. If the secretary of transportation delegates 34 inspection authority to the state as provided in this subsection,)). 35 The commission, at a minimum, shall do the following:

(((a))) (1) Inspect hazardous liquid pipelines and gas pipelines
 periodically as specified in the inspection program;

((<del>(b)</del>)) <u>(2)</u> Collect fees;

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4 ((<del>(c)</del>)) <u>(3)</u> Order and oversee the testing of hazardous liquid 5 pipelines <u>and gas pipelines</u> as authorized by federal law and 6 regulation; and

7 (((d))) (4) File reports with the United States secretary of
8 transportation as required to maintain ((the delegated authority.

9 (2) The commission shall also seek federal authority to adopt 10 safety standards related to the monitoring and testing of interstate 11 hazardous liquid pipelines.

12 (3) Upon delegation under subsection (1) of this section or under 13 a grant of authority under subsection (2) of this section, to the 14 extent authorized by federal law, the commission shall adopt rules for 15 interstate pipelines that are no less stringent than the state's laws 16 and rules for intrastate hazardous liquid pipelines)) federal 17 certification.

18 Sec. 8. RCW 81.88.100 and 2000 c 191 s 11 are each amended to read 19 as follows:

The commission may inspect any record, map, or written procedure required by federal law to be kept by a ((hazardous liquid)) pipeline company concerning ((the reportable)) releases, and the design, construction, testing, or operation and maintenance of ((hazardous liquid)) pipelines. Nothing in this section affects the commission's access to records under any other provision of law.

26 **Sec. 9.** RCW 19.122.020 and 2005 c 448 s 1 are each amended to read 27 as follows:

28 Unless the context clearly requires otherwise, the definitions in 29 this section apply throughout this chapter:

30 (1) "Business day" means any day other than Saturday, Sunday, or a31 legal local, state, or federal holiday.

32 (2) "Damage" includes the substantial weakening of structural or 33 lateral support of an underground facility, penetration, impairment, or 34 destruction of any underground protective coating, housing, or other 35 protective device, or the severance, partial or complete, of any underground facility to the extent that the project owner or the
 affected utility owner determines that repairs are required.

3 (3) "Emergency" means any condition constituting a clear and
4 present danger to life or property, or a customer service outage.

5 (4) "Excavation" means any operation in which earth, rock, or other 6 material on or below the ground is moved or otherwise displaced by any 7 means, except the tilling of soil less than twelve inches in depth for 8 agricultural purposes, or road and ditch maintenance that does not 9 change the original road grade or ditch flowline.

10 (5) "Excavation confirmation code" means a code or ticket issued by 11 the one-number locator service for the site where an excavation is 12 planned. The code must be accompanied by the date and time it was 13 issued.

14 (6) "Excavator" means any person who engages directly in 15 excavation.

16 (7) "Gas" means natural gas, flammable gas, or toxic or corrosive 17 gas.

18 (8) "Hazardous liquid" means: (a) Petroleum, petroleum products, 19 or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 20 as in effect on March 1, 1998; and (b) carbon dioxide. The utilities 21 and transportation commission may by rule incorporate by reference 22 other substances designated as hazardous by the secretary of 23 transportation.

(9) "Identified facility" means any underground facility which is
 indicated in the project plans as being located within the area of
 proposed excavation.

27 (10) "Identified but unlocatable underground facility" means an 28 underground facility which has been identified but cannot be located 29 with reasonable accuracy.

30 (11) "Locatable underground facility" means an underground facility31 which can be field-marked with reasonable accuracy.

32 (12) "Marking" means the use of stakes, paint, or other clearly identifiable materials to show the field location of underground 33 facilities, in accordance with the current color code standard of the 34 public association. 35 American works Markings shall include identification letters indicating the specific type of the underground 36 facility. 37

1 (13) "Notice" or "notify" means contact in person or by telephone 2 or other electronic methods that results in the receipt of a valid 3 excavation confirmation code.

4 (14) "One-number locator service" means a service through which a
5 person can notify utilities and request field-marking of underground
6 facilities.

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(15) "Operator" means the individual conducting the excavation.

8 (16) "Person" means an individual, partnership, franchise holder, 9 association, corporation, a state, a city, a county, or any subdivision 10 or instrumentality of a state, and its employees, agents, or legal 11 representatives.

12 (17) "Pipeline" or "pipeline system" means all or parts of a 13 pipeline facility through which hazardous liquid or gas moves in 14 transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated 15 assemblies associated with pumping or compressor units, metering and 16 17 delivery stations and fabricated assemblies therein, and breakout "Pipeline" or "pipeline system" does not include process or 18 tanks. transfer pipelines ((as defined in RCW 81.88.010)). 19

(18) "Pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting hazardous liquid or gas. A pipeline company does not include: (a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (b) excavation contractors or other contractors that contract with a pipeline company.

(19) "Reasonable accuracy" means location within twenty-four inchesof the outside dimensions of both sides of an underground facility.

(20) <u>"Transfer pipeline" means a buried or aboveground pipeline</u> 28 used to carry hazardous liquid between a tank vessel or transmission 29 pipeline and the first valve inside secondary containment at the 30 facility provided that any discharge on the facility side of that first 31 valve will not directly impact waters of the state. A transfer 32 pipeline includes valves, and other appurtenances connected to the 33 pipeline, pumping units, and fabricated assemblies associated with 34 pumping units. A transfer pipeline does not include process pipelines, 35 36 pipelines carrying ballast or bilge water, transmission pipelines, or

37 <u>tank vessel or storage tanks.</u>

1 (21) "Transmission pipeline" means a pipeline that transports 2 hazardous liquid or gas within a storage field, or transports hazardous 3 liquid or gas from an interstate pipeline or storage facility to a 4 distribution main or a large volume hazardous liquid or gas user, or 5 operates at a hoop stress of twenty percent or more of the specified 6 minimum yield strength.

(((<del>(21)</del>)) (22) "Underground facility" means any item buried or 7 placed below ground for use in connection with the storage or 8 conveyance of water, sewage, electronic, telephonic or telegraphic 9 10 communications, cablevision, electric energy, petroleum products, gas, gaseous vapors, hazardous liquids, or other substances and including 11 12 but not limited to pipes, sewers, conduits, cables, valves, lines, 13 wires, manholes, attachments, and those parts of poles or anchors below 14 This definition does not include pipelines as defined in ground. subsection (17) of this section, but does include distribution systems 15 16 owned and operated under franchise for the sale, delivery, or 17 distribution of natural gas at retail.

18 Sec. 10. RCW 81.04.490 and 1961 c 14 s 81.04.490 are each amended 19 to read as follows:

20 Nothing in this title shall authorize the commission to make or 21 enforce any order affecting rates, tolls, rentals, contracts or charges 22 or service rendered, or the safety, adequacy or sufficiency of the 23 facilities, equipment, instrumentalities or buildings, or the 24 reasonableness of rules or regulations made, furnished, used, supplied or in force affecting any street railroad owned and operated by any 25 26 city or town, but all other provisions enumerated herein shall apply to public utilities owned by any city or town. The commission shall 27 regulate the safety of all hazardous liquid and gas pipelines 28 29 constructed, owned, or operated by any city or town under chapter 81.88 30 RCW.

31 <u>NEW SECTION.</u> Sec. 11. The following acts or parts of acts are 32 each repealed:

33 (1) RCW 80.28.205 (Enforcement of federal laws covering gas 34 pipeline safety--Request for federal delegation of authority) and 2000 35 c 191 s 10;

1 (2) RCW 80.28.207 (Commission inspection of records, maps, or 2 written procedures) and 2000 c 191 s 12;

3 (3) RCW 80.28.210 (Safety rules--Pipeline transporters--Penalty)
4 and 2003 c 53 s 384, 1969 ex.s. c 210 s 2, & 1961 c 14 s 80.28.210;

5 (4) RCW 80.28.212 (Safety rules--Civil penalty for violation of RCW 6 80.28.210 or regulations issued thereunder--Level of penalty--7 Compromise--Disposition of penalty) and 1995 c 247 s 1 & 1969 ex.s. c 8 210 s 3;

9 (5) RCW 80.28.215 (Gas pipeline company duties after notice of 10 excavation) and 2000 c 191 s 22; and

11 (6) RCW 81.88.150 (Review of hazardous liquid and gas pipeline 12 safety programs) and 2001 c 238 s 4.

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