

HOUSE BILL REPORT

SB 5292

As Passed House - Amended:

April 5, 1995

Title: An act relating to civil penalties for violation of gas pipeline safety regulations.

Brief Description: Revising the level of civil penalties for violation of gas pipeline safety regulations.

Sponsors: Senators Sutherland and Finkbeiner.

Brief History:

Committee Activity:

Energy & Utilities: 3/28/95 [DPA].

Floor Activity:

Amended.

Passed House: 4/5/95, 97-0.

HOUSE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass as amended. Signed by 10 members: Representatives Casada, Chairman; Crouse, Vice Chairman; Hankins, Vice Chairman; Kessler, Ranking Minority Member; Kremen, Assistant Ranking Minority Member; Huff; Mastin; Mielke; Mitchell and Patterson.

Staff: Margaret Allen (786-7110).

Background: Federal law authorizes a state complying with various requirements to regulate intrastate natural gas pipeline safety standards and practices. To carry out its own safety program, a state must submit an annual certification to the Secretary of Transportation. That certification must claim, among other things, the state authority may enforce safety standards by civil penalties substantially the same as the penalties provided for under federal law. A state complying with all requirements receives federal funds in an amount up to 50 percent of the cost of the personnel, equipment, and activities reasonably required to conduct the safety program during the coming year.

In Washington, the Utilities and Transportation Commission (WUTC) is authorized to conduct the natural gas pipeline safety program. State law prohibits the WUTC from imposing civil penalties for violations of pipeline safety laws in excess of \$1,000 for

each violation for each day the violation persists, and sets a maximum of \$200,000 for any related series of violations. In contrast, federal law provides for civil penalties not to exceed \$25,000 for each violation for each day the violation persists, and sets a maximum of \$500,000 for a related series of violations.

In 1994, federal officials reviewed the WUTC natural gas pipeline safety program. They concluded state penalties must be made commensurate with federal penalties or the WUTC risks losing its eligibility to receive all or part of the federal funds the WUTC currently receives to operate the program, and risks losing its eligibility to continue to operate the program.

The WUTC received approximately \$103,000 in federal funds to operate the program in 1995, about 48 percent of the approximate \$213,000 total cost of the program.

Summary of Bill: The statute setting civil penalties for violating natural gas pipeline safety laws is amended to delete references to specific penalty amounts, and to direct the WUTC to set penalty levels by rule. State penalties are not to exceed federal penalties currently in effect.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The WUTC is in danger of losing \$100,000 in federal funds if it cannot raise state penalties to be commensurate with federal penalties. The bill gives the WUTC flexibility, yet prohibits state penalties from exceeding federal penalties.

Testimony Against: None.

Testified: (Pro) Senator Sutherland, prime sponsor; Bill Gillis and Steve Rieger, Washington Utilities & Transportation Commission; Charlie Brown, Washington Natural Gas; and Collins Sprague, Washington Water Power.