

# FINAL BILL REPORT

## SSB 5182

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Synopsis as Enacted

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

**Sponsors:** Senate Committee on Environment, Energy & Water (originally sponsored by Senators Spanel, McDonald, Fraser, Morton, Eide, McAuliffe and Kohl-Welles; by request of Utilities & Transportation Commission).

**Senate Committee on Environment, Energy & Water**  
**Senate Committee on Ways & Means**  
**House Committee on Agriculture & Ecology**  
**House Committee on Appropriations**

**Background:** The Legislature recently passed the Washington State Pipeline Safety Act of 2000. That act required the Utilities and Transportation Commission (UTC) to develop and implement a comprehensive hazardous liquid pipeline safety program. The UTC and the Department of Ecology were also required to seek federal authority to act as federal agents to inspect and enforce federal law, and seek authority to adopt safety standards over interstate hazardous liquid pipelines.

The UTC was required to transfer all powers and duties related to hazardous liquid pipelines to Ecology if: (1) the federal interstate pipeline preemption is lifted, or (2) interstate pipeline authority is granted to Ecology. The federal government did grant the state additional inspection authority, but only if the UTC handled this responsibility.

The act also created a new hazardous liquid pipeline safety account for use by Ecology in performing the pipeline inspections. Since the inspection duties remain at the UTC, the account is not used.

The act granted the state agencies the power to collect fees to support its pipeline safety program.

**Summary:** The statutory provisions transferring the hazardous liquid pipeline safety program from the Utilities and Transportation Commission to the Department of Ecology are eliminated. The program remains at the UTC.

Gas companies, interstate gas pipeline companies, and hazardous liquid pipeline companies are required to pay an annual fee to the UTC to support the agency's pipeline safety program. The UTC must adopt rules to establish the methodology for setting the fee. The fee methodology must provide for an equitable distribution of program costs among entities, assign directly assignable costs, and provide for the development of a uniform and equitable method for allocating other costs. Pipeline safety fees may not exceed appropriated funding levels and are subject to statutory fiscal growth factor restrictions.

Fees are collected as part of regulatory fees, for those pipeline companies subject to regulatory fees. A process is established for the UTC's record keeping, contesting the imposition of a fee, the assessment of late fees, and the issuing of refunds.

Fees, federal funds, and civil penalties are deposited into the renamed pipeline safety account. The penalties deposited in the account are no longer dedicated to enforcement purposes.

The UTC must consult with, and periodically report to, the Citizens Committee on Pipeline Safety. Additional provisions, regarding participation by voting and nonvoting members, are added to the statute concerning the citizen's committee.

The Joint Legislative Audit and Review Committee (JLARC) must conduct a review of the pipeline safety programs, including a review of staff use, inspection activity, fee methodology and program costs. The committee must report to the Legislature by July 1, 2003. The UTC must develop a regulatory incentive program to be implemented after the JLARC review is completed.

Other technical and clarifying changes are made.

**Votes on Final Passage:**

Senate	48	1	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 1, 2001