# CERTIFICATION OF ENROLLMENT

## SUBSTITUTE SENATE BILL 5225

Chapter 142, Laws of 2007

60th Legislature 2007 Regular Session

GAS AND HAZARDOUS LIQUID PIPELINES

EFFECTIVE DATE: 07/22/07

Passed by the Senate March 6, 2007 YEAS 48 NAYS 0

## BRAD OWEN

## President of the Senate

Passed by the House April 9, 2007 YEAS 98 NAYS 0

## FRANK CHOPP

# Speaker of the House of Representatives

Approved April 20, 2007, 2:27 p.m.

April 20, 2007

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5225** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

## SUBSTITUTE SENATE BILL 5225

Passed Legislature - 2007 Regular Session

60th Legislature

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.

State of Washington

- ACT Relating to regulation of gas and hazardous 1
- 2 pipelines; amending RCW 81.88.010, 81.88.040, 81.88.050, 81.88.060, 3
- 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, 4
- 5 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 RCW 81.88.010 and 2001 c 238 s 6 are each amended to read Sec. 1. 8 as follows:
- The definitions in this section apply throughout this chapter 9 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 result in a safe condition in the event of malfunction or failure of a 13 power supply, component, or control device. 14
- 15 (3)) "Gas" means natural gas, flammable gas, or toxic or corrosive 16 qas.
- 17 (((4))) (3) "Gas pipeline" means all parts of a pipeline facility
- through which gas moves in transportation, including, but not limited 18
- 19 to, line pipe, valves, and other appurtenances connected to line pipe,

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((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.

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- $((\frac{5}{1}))$  (4) "Gas pipeline company" means a person or entity 10 constructing, owning, or operating a gas pipeline for transporting gas. 11 12 ((A)) "Gas pipeline company" includes a person or entity owning or 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.
  - $((\frac{(6)}{)})$  (5) "Hazardous liquid" means: (a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 ((in effect March 1, 1998)); and (b) carbon dioxide.
  - ((+7+)) (6) "Hazardous liquid pipeline" means all parts of a pipeline facility through which a hazardous liquid moves in transportation including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks.

    "Hazardous liquid pipeline" does not include all parts of a pipeline facility through which a hazardous liquid moves in transportation through refining or manufacturing facilities or storage or in-plant piping systems associated with such facilities, a pipeline subject to safety regulations of the United States coast quard, or a pipeline that serves refining, manufacturing, or truck, rail, or vessel terminal facilities, if the pipeline is less than one mile long, measured outside facility grounds, and does not cross an offshore area or a waterway used for commercial navigation.
  - (7) "Hazardous liquid pipeline company" means a person or entity constructing, owning, or operating a hazardous liquid pipeline.

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

- (8) "Line pipe" means a tube, usually cylindrical, through which a hazardous liquid or gas is transported from one point to another.
- (9) "Local government" means a political subdivision of the state ((or a city or town)).
  - ((\(\frac{(\(\frac{8}{}\)\)}{)}) (10) "Master meter system" means a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by any other means, such as by rents.
  - (11) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, <u>a town</u>, a county, or any <u>other</u> political subdivision or instrumentality of a state, and its employees, agents, or legal representatives.
  - (((9) "Pipeline," "pipeline system," or "hazardous liquid pipeline" means all parts of a pipeline facility through which a hazardous liquid moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines.
  - (10) "Pipeline company" or "hazardous liquid pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting hazardous liquid. 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.
- (11) "Reportable release" means a spilling, leaking, pouring, emitting, discharging, or any other uncontrolled escape of a hazardous 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.
- (13) "Transfer pipeline" means a buried or aboveground pipeline used to carry oil between a tank vessel or transmission pipeline and the first valve inside secondary containment at the facility provided that any discharge on the facility side of that first valve will not directly impact waters of the state. A transfer pipeline includes valves, and other appurtenances connected to the pipeline, pumping units, and fabricated assemblies associated with pumping units. A transfer pipeline does not include process pipelines, pipelines carrying ballast or bilge water, transmission pipelines, or tank vessel or storage tanks.
  - (14) "Transmission pipeline" means a gas pipeline that transports gas within a storage field, or transports gas from an interstate pipeline or storage facility to a distribution main or a large volume gas user, or operates at a hoop stress of twenty percent or more of the specified minimum yield strength.))
- 19 <u>(12) "Pipeline company," without further qualification, means a</u> 20 <u>hazardous liquid pipeline company or a gas pipeline company.</u>
- **Sec. 2.** RCW 81.88.040 and 2000 c 191 s 3 are each amended to read 22 as follows:
  - (1) A person, officer, agent, or employee of a pipeline company 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 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 violation of or noncompliance with this ((section)) chapter or a rule adopted under ((this section)) RCW 81.88.060 or section 5 of this act, is guilty of a gross misdemeanor.
  - (2)(a) A pipeline company, or any person, officer, agent, or employee of a pipeline company that violates a provision of this ((section)) chapter, or a rule adopted under ((this section)) RCW 81.88.060 or section 5 of this act, is subject to a civil penalty to be 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.

safety.

- (c) In determining the amount of the penalty <u>in a particular instance</u>, the commission shall consider: (i) The appropriateness of the penalty in relation to the position of the person charged with the violation; (ii) the gravity of the violation; and (iii) the good faith of the person or company charged in attempting to achieve compliance 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.
- (3) The commission shall adopt rules incorporating by reference other substances designated as hazardous by the secretary of 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.
- 23 (5) Nothing in this section duplicates the authority of the energy 24 facility site evaluation council under chapter 80.50 RCW.
- **Sec. 3.** RCW 81.88.050 and 2001 c 238 s 7 are each amended to read 26 as follows:
  - ((<del>(1)</del>)) The pipeline safety account is created in the custody of the state treasurer. All fees received by the commission for the pipeline safety program according to RCW 80.24.060 and 81.24.090 and all receipts from the federal office of pipeline safety and any other state or federal funds provided for pipeline safety shall be deposited in the account((<del>, except as provided in subsection (2) of this section</del>)). Any ((fines)) penalties collected under this chapter, or otherwise designated to this account must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for funding pipeline

- (((2) Federal funds received before June 30, 2001, shall be treated
  as receipt of unanticipated funds and expended, without appropriation,
  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:
  - (1) ((A comprehensive program of hazardous liquid pipeline safety is authorized by RCW 81.88.010, 81.88.040, 81.88.050, 81.88.090, 81.88.100, 48.48.160, and this section to be developed and implemented consistent with federal law. The commission shall administer and enforce all laws related to hazardous liquid pipeline safety.
  - (2) The commission shall adopt rules for pipeline safety standards 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:
  - (i) Installation of remote control shut-off valves; and
  - (ii) Installation of remotely monitored pressure gauges and meters;
  - (c) Require the training and certification of personnel who operate pipelines and the associated systems;
    - (d) Require reporting of emergency situations, including emergency shutdowns and material defects or physical damage that impair the serviceability of a pipeline; and
    - (e) Require pipeline companies to submit operations safety plans to the commission once every five years, as well as any amendments to the plan made necessary by changes to the pipeline system or its operation. 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 1 2 through pressure testing, internal inspection tool surveys, or another 3 appropriate technique;
  - (b) Failsafe systems;

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- (c) Safety management systems; and 5
  - (d) Emergency management training for pipeline operators.
  - (4) The commission shall coordinate information related to pipeline safety by providing technical assistance to local planning and siting authorities.
    - (5) The commission shall evaluate, and consider adopting, proposals developed by the federal office of pipeline safety, the national transportation safety board, and other agencies and organizations related to methods and technologies for testing the integrity of pipeline structure, leak detection, and other elements of pipeline operation.)) (1) Each hazardous liquid pipeline company shall design, construct, operate, and maintain its hazardous liquid pipeline so that it is safe and efficient. Each hazardous liquid pipeline company is responsible for the conduct of its contractors regarding compliance 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 maintain its gas pipeline so that it is safe and efficient. Each gas pipeline company is responsible for the conduct of its contractors regarding compliance with pipeline safety requirements. 33
  - (2) The commission shall develop and administer a comprehensive program of gas pipeline safety in accordance with this chapter.
- 36 (3) The commission may adopt rules to carry out the purposes of

- this chapter as long as the rules are compatible with minimum federal 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.
- **Sec. 6.** RCW 81.88.080 and 2000 c 191 s 7 are each amended to read 7 as follows:
  - (1) The commission shall require hazardous liquid pipeline companies, and gas pipeline companies with interstate pipelines, ((gas transmission pipelines,)) or gas pipelines operating over two hundred fifty pounds per square inch gauge, to provide accurate maps of ((their)) these pipelines to specifications developed by the commission sufficient to meet the needs of first responders ((including installation depth information when known)).
  - (2) The commission shall evaluate the sufficiency of the maps and consolidate the maps into a statewide geographic information system. The commission shall assist local governments in obtaining hazardous liquid and gas pipeline location information and maps. The maps shall be made available to the one-number locator services as provided in chapter 19.122 RCW. The mapping system shall be consistent with the United States department of transportation national pipeline mapping 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)).
- **Sec. 7.** RCW 81.88.090 and 2001 c 238 s 10 are each amended to read 29 as follows:
- 30 ((\(\frac{(1)}{(1)}\)) The commission shall ((\(\frac{apply for}{apply for}\)) \(\text{maintain}\) federal ((\(\frac{delegation}{delegation}\)) \(\text{certification}\) for the state's \(\text{pipeline safety}\) program ((\(\frac{for the purposes of enforcement of federal hazardous liquid pipeline}\) 33 \(\text{safety requirements.}\) If the secretary of transportation delegates inspection authority to the state as provided in this subsection,)).
- 35 The commission, at a minimum, shall do the following:

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

- 4  $((\frac{c}{c}))$  (3) Order and oversee the testing of hazardous liquid pipelines and gas pipelines as authorized by federal law and regulation; and
- 7  $((\frac{d}{d}))$  <u>(4)</u> File reports with the United States secretary of 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.
- (3) Upon delegation under subsection (1) of this section or under a grant of authority under subsection (2) of this section, to the extent authorized by federal law, the commission shall adopt rules for interstate pipelines that are no less stringent than the state's laws and rules for intrastate hazardous liquid pipelines)) federal 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:
- Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:
- 30 (1) "Business day" means any day other than Saturday, Sunday, or a 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) "Emergency" means any condition constituting a clear and present danger to life or property, or a customer service outage.
    - (4) "Excavation" means any operation in which earth, rock, or other material on or below the ground is moved or otherwise displaced by any means, except the tilling of soil less than twelve inches in depth for agricultural purposes, or road and ditch maintenance that does not 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 excavation.
- 16 (7) "Gas" means natural gas, flammable gas, or toxic or corrosive gas.
  - (8) "Hazardous liquid" means: (a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 as in effect on March 1, 1998; and (b) carbon dioxide. The utilities and transportation commission may by rule incorporate by reference other substances designated as hazardous by the secretary of transportation.
    - (9) "Identified facility" means any underground facility which is indicated in the project plans as being located within the area of proposed excavation.
    - (10) "Identified but unlocatable underground facility" means an underground facility which has been identified but cannot be located with reasonable accuracy.
- 30 (11) "Locatable underground facility" means an underground facility
  31 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. Markings 35 works shall identification letters indicating the specific type of the underground 36 facility. 37

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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.

- (14) "One-number locator service" means a service through which a person can notify utilities and request field-marking of underground facilities.
  - (15) "Operator" means the individual conducting the excavation.
- (16) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of a state, and its employees, agents, or legal representatives.
- (17) "Pipeline" or "pipeline system" means all or parts of a pipeline facility through which hazardous liquid or gas moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping or compressor units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines ((as defined in RCW 81.88.010)).
- (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 inches of the outside dimensions of both sides of an underground facility.
- used to carry hazardous liquid between a tank vessel or transmission pipeline and the first valve inside secondary containment at the facility provided that any discharge on the facility side of that first valve will not directly impact waters of the state. A transfer pipeline includes valves, and other appurtenances connected to the pipeline, pumping units, and fabricated assemblies associated with pumping units. A transfer pipeline does not include process pipelines, pipelines carrying ballast or bilge water, transmission pipelines, or tank vessel or storage tanks.

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

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

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

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

- NEW SECTION. Sec. 11. The following acts or parts of acts are 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 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;
- (4) RCW 80.28.212 (Safety rules--Civil penalty for violation of RCW 80.28.210 or regulations issued thereunder--Level of penalty--Compromise--Disposition of penalty) and 1995 c 247 s 1 & 1969 ex.s. c 210 s 3;
- 9 (5) RCW 80.28.215 (Gas pipeline company duties after notice of excavation) and 2000 c 191 s 22; and
- 11 (6) RCW 81.88.150 (Review of hazardous liquid and gas pipeline safety programs) and 2001 c 238 s 4.

Passed by the Senate March 6, 2007. Passed by the House April 9, 2007. Approved by the Governor April 20, 2007. Filed in Office of Secretary of State April 20, 2007.