
By: **Delegates Healey, Ramirez, Gaines, Niemann, Parker, and Ross**

Rules suspended

Introduced and read first time: April 1, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Liquefied Natural Gas Facilities and Pipelines - Inspections and Locations**

3 FOR the purpose of requiring the Public Service Commission to conduct certain
4 inspections; requiring certain public service companies to take certain actions on
5 receipt of a complaint, notice, or report of certain natural gas smells; providing
6 for a certain liability under certain circumstances; requiring the Commission to
7 take certain actions on receipt of a certain notification, complaint, notice, or
8 report; prohibiting the construction or operation of a liquefied natural gas
9 facility within a certain distance from certain population centers and certain
10 public transportation centers; defining certain terms; making this Act an
11 emergency measure; and generally relating to inspections of and locations for
12 liquefied natural gas facilities and pipelines.

13 BY repealing and reenacting, with amendments,
14 Article - Public Utility Companies
15 Section 11-101
16 Annotated Code of Maryland
17 (1998 Volume and 2004 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Public Utility Companies**

21 11-101.

22 (a) (1) In this section the following words have the meanings indicated.

23 (2) "Liquefied natural gas" means natural gas cooled to form a liquid at
24 approximately atmospheric pressure.

25 (3) "Liquefied natural gas facility" means any facility used to produce,
26 store, or regasify liquefied natural gas.

1 (4) "LIQUEFIED NATURAL GAS LINE" MEANS ANY PIPELINE, OR PART OF
2 A PIPELINE, USED IN THE TRANSPORTATION OF LIQUEFIED NATURAL GAS.

3 (5) "LIQUEFIED NATURAL GAS PIPELINE FACILITY" MEANS NEW AND
4 EXISTING LINES, PIPES, RIGHTS-OF-WAY, AND ANY EQUIPMENT, FACILITY, OR
5 BUILDING USED IN THE TRANSPORTATION OF LIQUEFIED NATURAL GAS.

6 (b) The Commission shall adopt regulations TO CARRY OUT THE PROVISIONS
7 OF THIS SUBTITLE AND to ensure to the greatest extent practicable the operational
8 safety of liquefied natural gas facilities, LIQUEFIED NATURAL GAS LINES, AND
9 LIQUEFIED NATURAL GAS PIPELINE FACILITIES.

10 (c) (1) The Commission shall inspect periodically each liquefied natural gas
11 facility, LIQUEFIED NATURAL GAS LINE, AND LIQUEFIED NATURAL GAS PIPELINE
12 FACILITY to ensure compliance with the regulations adopted under subsection (b) of
13 this section.

14 (2) Inspections shall be conducted at intervals the Commission
15 determines necessary.

16 (3) INSPECTIONS SHALL FOCUS ON JOINTS AND OTHER SECTIONS
17 CONNECTING PIPES AND OTHER EQUIPMENT AND ON OTHER POTENTIALLY
18 DETERIORATING PORTIONS OF EACH LIQUEFIED NATURAL GAS FACILITY,
19 LIQUEFIED NATURAL GAS LINE, AND LIQUEFIED NATURAL GAS PIPELINE FACILITY.

20 (D) (1) A PUBLIC SERVICE COMPANY THAT OPERATES A LIQUEFIED
21 NATURAL GAS FACILITY, LIQUEFIED NATURAL GAS LINE, OR LIQUEFIED NATURAL
22 GAS PIPELINE FACILITY AND RECEIVES A COMPLAINT, NOTICE, OR REPORT OF A
23 NATURAL GAS SMELL AT OR NEAR ANY LIQUEFIED NATURAL GAS FACILITY,
24 LIQUEFIED NATURAL GAS LINE, OR LIQUEFIED NATURAL GAS PIPELINE FACILITY
25 THAT IT OPERATES SHALL IMMEDIATELY:

26 (I) NOTIFY THE COMMISSION;

27 (II) INSPECT THE LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED
28 NATURAL GAS LINE, OR LIQUEFIED NATURAL GAS PIPELINE FACILITY; AND

29 (III) REPAIR ANY DAMAGE DISCOVERED OR ANY PORTIONS OF THE
30 LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED NATURAL GAS LINE, OR LIQUEFIED
31 NATURAL GAS PIPELINE FACILITY DETERMINED TO BE POTENTIALLY UNSAFE.

32 (2) A PUBLIC SERVICE COMPANY THAT FAILS TO RESPOND
33 IMMEDIATELY AS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE
34 LIABLE FOR ANY INJURY, DEATH, OR PROPERTY DAMAGE CAUSED AS A RESULT OF
35 ANY EXPLOSION OR NATURAL GAS LEAK THAT COULD HAVE BEEN PREVENTED IF
36 THE PUBLIC SERVICE COMPANY HAD RESPONDED IMMEDIATELY.

37 (E) ON RECEIPT OF THE NOTIFICATION REQUIRED UNDER SUBSECTION (D)(1)
38 OF THIS SECTION OR OF ANY COMPLAINT, NOTICE, OR REPORT OF A NATURAL GAS
39 SMELL AT OR NEAR A LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED NATURAL GAS

1 LINE, OR LIQUEFIED NATURAL GAS PIPELINE FACILITY, THE COMMISSION SHALL
2 IMMEDIATELY:

3 (1) INSPECT THE LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED
4 NATURAL GAS LINE, OR LIQUEFIED NATURAL GAS PIPELINE FACILITY ALONG WITH
5 THE PUBLIC SERVICE COMPANY THAT OPERATES THE LIQUEFIED NATURAL GAS
6 FACILITY, LIQUEFIED NATURAL GAS LINE, OR LIQUEFIED NATURAL GAS PIPELINE
7 FACILITY;

8 (2) REPAIR, OR DIRECT THE PUBLIC SERVICE COMPANY THAT OPERATES
9 THE LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED NATURAL GAS LINE, OR
10 LIQUEFIED NATURAL GAS PIPELINE FACILITY TO REPAIR, ANY DAMAGE DISCOVERED
11 OR ANY PORTIONS OF THE LIQUEFIED NATURAL GAS FACILITY, LIQUEFIED NATURAL
12 GAS LINE, OR LIQUEFIED NATURAL GAS PIPELINE FACILITY DETERMINED TO BE
13 POTENTIALLY UNSAFE; AND

14 (3) BEGIN ANY EVACUATION PROCEDURES THAT IT DETERMINES ARE
15 NECESSARY.

16 (F) A LIQUEFIED NATURAL GAS FACILITY MAY NOT BE CONSTRUCTED OR
17 OPERATED IN A LOCATION THAT THE COMMISSION DETERMINES IS UNREASONABLY
18 CLOSE TO A HEAVILY POPULATED AREA OR A PUBLIC TRANSPORTATION CENTER.

19 [(d)] (G) The Commission may enforce [these] regulations ADOPTED UNDER
20 THIS SECTION by any method provided in § 2-117(a) or (b), § 13-201, or § 13-205 of
21 this article.

22 [(e)] (H) The Commission may enter into agreements with federal units as
23 necessary to carry out this section.

24 [(f)] (I) This section does not expand the definition of "public service
25 company" in § 1-101 of this article.

26 [(g)] (J) A person who violates a regulation that the Commission adopts under
27 this section is guilty of a misdemeanor and on conviction is subject to a fine not
28 exceeding \$10,000 for each day the violation continues, and imprisonment not
29 exceeding 1 year.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
31 measure, is necessary for the immediate preservation of the public health or safety,
32 has been passed by a ye and nay vote supported by three-fifths of all the members
33 elected to each of the two Houses of the General Assembly, and shall take effect from
34 the date it is enacted.