

SENATE BILL 362

C5, E4

4lr1549

By: **Senator Zirkin**

Introduced and read first time: January 22, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety – Gas Pipeline Inspection Requirements – State Penalties**

3 FOR the purpose of requiring a gas transmission company operating within the State
4 to comply with certain federal laws and regulations with respect to gas pipeline
5 safety inspections; authorizing the Public Service Commission, subject to
6 certain provisions of law, to impose a certain civil penalty on a gas transmission
7 company that fails to have a gas pipeline inspected as required by federal law;
8 establishing the amount of a certain civil penalty; requiring that certain
9 penalties be paid into a certain fund; providing for the jurisdiction and
10 enforcement authority of the Commission; and generally relating to gas pipeline
11 safety.

12 BY repealing and reenacting, without amendments,
13 Article – Public Safety
14 Section 15–101
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2013 Supplement)

17 BY adding to
18 Article – Public Safety
19 Section 15–103 and 15–104
20 Annotated Code of Maryland
21 (2011 Replacement Volume and 2013 Supplement)

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

24 **Article – Public Safety**

25 15–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (a) In this title the following words have the meanings indicated.
- 2 (b) “Commission” means the Public Service Commission.
- 3 (c) “Gas” means natural gas, flammable gas, or toxic or corrosive gas.
- 4 (d) (1) “Gas pipeline” means an intrastate transmission line or any
5 portion of an interstate transmission line located within the State that:
- 6 (i) transports gas from a gathering line or storage facility to a
7 distribution center, storage facility, or large volume customer that is not downstream
8 from a distribution center;
- 9 (ii) operates at a hoop stress of 20% or more of the specified
10 minimum yield strength of the pipeline; or
- 11 (iii) transports gas within a storage field.
- 12 (2) “Gas pipeline” does not mean any transmission line or distribution
13 line constructed, owned, or operated by a public service company as defined in § 1–101
14 of the Public Utilities Article.
- 15 (e) (1) “Gas transmission company” means a person that owns or operates
16 a gas pipeline regulated under this title.
- 17 (2) “Gas transmission company” does not include a person that is
18 primarily in the business of local gas distribution.

19 **15–103.**

20 **(A) A GAS TRANSMISSION COMPANY OPERATING WITHIN THE STATE**
21 **SHALL COMPLY WITH ALL APPLICABLE FEDERAL LAWS AND REGULATIONS**
22 **REGARDING GAS PIPELINE SAFETY INSPECTIONS.**

23 **(B) (1) SUBJECT TO THE HEARING REQUIREMENTS OF TITLE 3,**
24 **SUBTITLE 1 OF THE PUBLIC UTILITIES ARTICLE, THE COMMISSION MAY**
25 **IMPOSE A CIVIL PENALTY ON A GAS TRANSMISSION COMPANY THAT FAILS TO**
26 **HAVE A GAS PIPELINE INSPECTED AS REQUIRED BY FEDERAL LAW.**

27 **(2) A CIVIL PENALTY IMPOSED UNDER THIS SUBSECTION SHALL**
28 **EQUAL \$100,000 FOR EACH DAY THAT THE GAS TRANSMISSION COMPANY FAILS**
29 **TO HAVE A GAS PIPELINE INSPECTED.**

30 **(3) ALL PENALTIES COLLECTED UNDER THIS SUBSECTION SHALL**
31 **BE PAID INTO THE GENERAL FUND OF THE STATE.**

1 **15-104.**

2 **THE COMMISSION HAS JURISDICTION OVER AND MAY ENFORCE THIS**
3 **TITLE AND ANY REGULATIONS ADOPTED UNDER IT TO THE SAME EXTENT AND IN**
4 **THE SAME MANNER AS ANY PROVISIONS OF DIVISION I OF THE PUBLIC**
5 **UTILITIES ARTICLE, AS PROVIDED IN TITLE 13 OF THE PUBLIC UTILITIES**
6 **ARTICLE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2014.