

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

400R0330

HOUSE COMMERCE ENGROSSED NO. **SB 56** 2/24/2010

Introduced by: The Committee on Commerce at the request of the Public Utilities
Commission

1 FOR AN ACT ENTITLED, An Act to update certain citations to federal regulations regarding
2 pipeline safety inspection.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 49-34B-1 be amended to read as follows:

5 49-34B-1. Terms used in this chapter mean:

6 (1) "Commission," the Public Utilities Commission;

7 (2) "Emergency release," a release of a quantity of gas that is great enough to pose a clear
8 and immediate danger to life, health, environment, or that threatens a significant loss
9 of property;

10 (3) "Gas," natural gas, liquefied natural gas, flammable gas, gas which is toxic or
11 corrosive, or liquefied petroleum gas in distribution systems;

12 (4) "Gas pipeline," all parts of those physical facilities through which gas moves in
13 transportation, including pipe, valves, and other appurtenances attached to pipe,
14 compressor units, metering stations, regulator stations, delivery stations, holders, and



- 1 fabricated assemblies;
- 2 (5) "Gas pipeline facilities," new and existing pipelines, rights-of-way, master meter
3 systems, pipeline facilities within this state which transport gas from an interstate gas
4 pipeline to a direct sales customer within this state purchasing gas for its own
5 consumption, and any equipment, facility, or building used in the transportation of
6 gas or in the treatment of gas during the course of transportation;
- 7 (6) "Inspection fee," any fee assessed to pipeline operators based on the expenses and
8 obligations incurred by the commission in implementing and administering this
9 chapter;
- 10 (7) "Intrastate pipeline," any pipeline or that part of a pipeline to which this part applies
11 that is not an interstate pipeline;
- 12 (8) "Interstate pipeline," pipeline facilities used in the transportation of gas which are
13 subject to the jurisdiction of the Federal Energy Regulatory Commission under the
14 Natural Gas Act, United States Code, Title 15, sections 717 to 717z, inclusive, as
15 amended to ~~January 1, 2009~~ February 22, 2010, except that it does not include any
16 pipeline facilities within this state which transport gas from an interstate gas pipeline
17 to a direct sales customer within this state purchasing gas for its own consumption;
- 18 (9) "Liquefied natural gas," natural gas or synthetic gas having methane (CH₄) as its
19 major constituent that has been changed to a liquid or semisolid;
- 20 (10) "Master meter system," any pipeline system for distributing gas within a definable
21 area, such as a mobile home park, housing project, or apartment complex, where the
22 operator purchases metered gas from an outside source for resale through a gas
23 distribution pipeline system and the gas distribution pipeline system supplies the
24 ultimate consumer who either purchases the gas directly through a meter or by other

1 means, such as by rents;

2 (11) "Pipeline operator," any person who owns or operates a pipeline;

3 (12) "Release," a spilling, leaking, pumping, pouring, emitting, emptying, discharging,
4 injecting, leaching, dumping, disposing, flowing, or any uncontrolled escape of a gas
5 from a pipeline; and

6 (13) "Transportation of gas," the gathering, transmission, or distribution of gas by pipeline
7 or the storage of gas.

8 Section 2. That § 49-34B-2 be amended to read as follows:

9 49-34B-2. Any rural gathering facility as defined in 49 C.F.R. 192.8 as of ~~January 1, 2009~~
10 February 22, 2010, is exempt from this chapter.

11 Section 3. That § 49-34B-3 be amended to read as follows:

12 49-34B-3. There is created a pipeline safety inspection program. The federal safety standards
13 adopted as Code of Federal Regulations, title 49 appendix, parts 191, 192, 193, and 199 as
14 amended to ~~January 1, 2009~~ February 22, 2010, are adopted as minimum safety standards for
15 this chapter. The commission shall establish and implement a compliance program to enforce
16 these safety standards. The program shall be established and implemented in a manner that fully
17 complies with requirements for state certification under the United States Code, title 49, section
18 60105, as amended to ~~January 1, 2009~~ February 22, 2010.

19 Section 4. That § 49-34B-4 be amended to read as follows:

20 49-34B-4. The commission may, by rules promulgated pursuant to chapter 1-26, establish
21 safety standards, but not more stringent than federal safety standards as provided by § 49-34B-3,
22 for the intrastate transportation of gas and gas pipeline facilities. The standards may apply to the
23 design, installation, inspection, testing, construction, extension, operation, replacement, and
24 maintenance of gas pipeline facilities. Standards affecting the design, installation, construction,

1 initial inspection, and initial testing do not apply to pipeline facilities in existence on the date
2 the standards are adopted by either this state or the federal government. The safety standards
3 shall be practicable and designed to meet the need for pipeline safety. In prescribing the
4 standards, the commission shall consider:

- 5 (1) Relevant available pipeline safety data;
- 6 (2) Whether the standards are appropriate for the particular type of pipeline
7 transportation of gas;
- 8 (3) The reasonableness of any proposed standards;
- 9 (4) The extent to which the standard will contribute to public safety; and
- 10 (5) The existing standards established by the secretary of the United States Department
11 of Transportation pursuant to the United States Code, title 49, section 60101 et seq.
12 as amended to ~~January 1, 2009~~ February 22, 2010.

13 Section 5. That § 49-34B-13 be amended to read as follows:

14 49-34B-13. No person is subject to civil penalties under this chapter if prior civil penalties
15 have been imposed under the United States Code, title 49, section 60101 et seq. as amended to
16 ~~January 1, 2009~~ February 22, 2010, for conduct that may give rise to a violation of both acts.
17 Nothing in this chapter limits the powers of the commission, or precludes the pursuit of any
18 other administrative, civil, injunctive, or criminal remedies by the commission or any other
19 person. Administrative remedies need not be exhausted in order to proceed under this chapter.
20 The remedies provided by this chapter are in addition to those provided under existing statutory
21 or common law.

22 Section 6. That § 49-34B-14 be amended to read as follows:

23 49-34B-14. The commission may, to the extent authorized by agreement with the secretary
24 of the United States Department of Transportation, act as agent for the secretary of

1 transportation to implement the United States Code, title 49, section 60101 et seq. as amended
2 to ~~January 1, 2009~~ February 22, 2010, and any federal pipeline safety regulations promulgated
3 thereto with respect to interstate gas pipelines located within this state, as necessary to obtain
4 annual federal certification. The commission shall, to the extent authorized by federal law,
5 inspect pipelines in the state as authorized by the provisions of this chapter.

6 Section 7. That § 49-34B-15 be amended to read as follows:

7 49-34B-15. The commission may seek and accept federal designation of the commission's
8 pipeline inspectors as federal agents for the purposes of inspection pursuant to the United States
9 Code, title 49, section 60101 et seq. as amended to ~~January 1, 2009~~ February 22, 2010, and
10 federal rules adopted to implement those acts. If the Department of Transportation delegates
11 inspection authority to the state as provided in this section, the commission shall do what is
12 necessary to carry out its delegated federal authority.

13 Section 8. That § 49-34B-19 be amended to read as follows:

14 49-34B-19. The commission may promulgate pipeline inspection and safety rules pursuant
15 to chapter 1-26 to the extent necessary to enable the state to qualify for annual federal
16 certification to operate the federal pipeline inspection program of intrastate and interstate gas
17 pipelines as authorized by the United States Code, title 49, section 60101 et seq. as amended to
18 ~~January 1, 2009~~ February 22, 2010.

19 Section 9. That § 49-34B-22 be amended to read as follows:

20 49-34B-22. All information reported to or obtained by the commission under this chapter
21 that contains or relates to a trade secret referred to in United States Code, title 18, section 1905,
22 as amended to ~~January 1, 2009~~ February 22, 2010, or that is granted by chapter 37-29 is
23 confidential for the purpose of that section, except that the information may be disclosed to the
24 commission or commission employee or agent concerned with enforcing this chapter. Nothing

1 in this section authorizes the withholding of information by the commission from a committee
2 of the Legislature.