

Senate Bill No. 216

Passed the Senate September 1, 2011

Secretary of the Senate

Passed the Assembly August 30, 2011

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 957 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 216, Yee. Public utilities: intrastate natural gas pipeline safety.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations, as defined. The Public Utilities Act authorizes the commission to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or services to be furnished, imposed, observed, and followed by specified public utilities, including gas corporations.

Existing federal law requires the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to adopt minimum safety standards for pipeline transportation and for pipeline facilities, including an interstate gas pipeline facility and intrastate gas pipeline facility, as defined. Existing law authorizes the United States Secretary of Transportation to prescribe or enforce safety standards and practices for an intrastate pipeline facility or intrastate pipeline transportation to the extent that the safety standards and practices are regulated by a state authority that annually submits to the secretary a certification for the facilities and transportation or, alternatively, authorizes the secretary to make an agreement with a state authority authorizing it to take necessary action to meet certain pipeline safety requirements. Existing law prohibits a state authority from adopting or continuing in force safety standards for interstate pipeline facilities or interstate pipeline transportation. Existing law authorizes a state authority that has submitted a current certification to adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with the minimum standards prescribed by the PHMSA.

The bill would require the commission, unless it determines that doing so is preempted under federal law, to require the installation

of automatic shutoff or remote controlled sectionalized block valves on certain intrastate transmission lines that are located in a high consequence area, as defined, or that traverse an active seismic earthquake fault. The bill would require the owner or operator of a commission-regulated gas pipeline facility that is an intrastate transmission line to provide the commission with a valve location plan, along with any recommendations for valve locations, and would authorize the commission to make modifications to the valve location plan.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 957 is added to the Public Utilities Code, immediately following Section 956, to read:

957. (a) (1) Unless the commission determines that it is prohibited from doing so by subdivision (c) of Section 60104 of Title 49 of the United States Code, the commission shall require the installation of automatic shutoff or remote controlled sectionalized block valves on both of the following facilities, if it determines those valves are necessary for the protection of the public:

(A) Intrastate transmission lines that are located in a high consequence area.

(B) Intrastate transmission lines that traverse an active seismic earthquake fault.

(2) Each owner or operator of a commission-regulated gas pipeline facility that is an intrastate transmission line shall provide

the commission with a valve location plan, along with any recommendations for valve locations. The commission may make modifications to the valve location plan or provide for variations from any location requirements adopted by the commission pursuant to this section that it deems necessary or appropriate and consistent with protection of the public.

(3) The commission shall additionally establish action timelines, adopt standards for how to prioritize installation of automatic shutoff or remote controlled sectionalized block valves pursuant to paragraph (1), ensure that remote and automatic shutoff valves are installed as quickly as is reasonably possible, and establish ongoing procedures for monitoring progress in achieving the requirements of this section.

(b) The commission shall authorize recovery in rates for all reasonably incurred costs incurred for implementation of the requirements of this section.

(c) The commission, in consultation with the Pipeline and Hazardous Materials Safety Administration of the United States Department of Transportation, shall adopt and enforce compatible safety standards for commission-regulated gas pipeline facilities that the commission determines should be adopted to implement the requirements of this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2011

Governor