

MAINE STATE LEGISLATURE

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5/10/12
ROFS

L.D. 1883

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Date: 3-26-12

(Filing No. S-479)

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ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE

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SENATE

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125TH LEGISLATURE

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SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to S.P. 660, L.D. 1883, Bill, "An Act To Clarify the Regulation of Private Natural Gas Pipelines"

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Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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Sec. 1. 35-A MRSA §4517, sub-§1, as enacted by PL 2011, c. 110, §1, is repealed and the following enacted in its place:

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1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

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A. "Affiliated compression or liquefaction facility" means a facility that is used to liquefy or compress natural gas for sale or distribution to others by means other than a pipeline and that is owned or operated by an affiliate of the owner of a private natural gas pipeline.

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B. "Private natural gas pipeline" means a pipeline that is used solely for the transport of natural gas to a single customer and is owned by the customer and whose owner or operator is not otherwise regulated by the commission as a natural gas pipeline utility or gas utility. For purposes of this paragraph, "customer" includes an affiliate of a customer.

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Sec. 2. 35-A MRSA §4517, sub-§§2 and 3, as enacted by PL 2011, c. 110, §1, are amended to read:

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2. Safety regulation. The commission may exercise safety regulation over an entity that owns or operates a private natural gas pipeline on public land or land owned by a 3rd party, notwithstanding that the entity is not a public utility. The commission may exercise safety regulation over the owner or operator of an affiliated compression or liquefaction facility, notwithstanding that the owner or operator is not a public utility. Safety regulation under this subsection may be enforced as provided in sections 4515 and 4516-A.

COMMITTEE AMENDMENT

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3. Approval of construction. A private natural gas pipeline or affiliated compression or liquefaction facility may not be constructed without approval of the commission. When requesting approval, the entity that owns or operates a private natural gas pipeline or affiliated compression or liquefaction facility shall submit to the commission information concerning the engineering design of the pipeline or affiliated compression or liquefaction facility and the standards of construction the entity proposes to follow and any other information the commission determines necessary to make a determination of whether to approve construction. The commission shall approve the construction if the commission determines that the standards of construction of the pipeline or affiliated compression or liquefaction facility adequately protect the safety of the public.

Sec. 3. 35-A MRSA §4517, sub-§5 is enacted to read:

5. Sale by affiliate of liquefied natural gas or compressed natural gas. The owner or operator of a private natural gas pipeline that delivers natural gas to its affiliate that then liquefies or compresses the natural gas for sale or distribution to others by means other than by a pipeline is not, as a result of the delivery, considered a public utility. The owner or operator of an affiliated compression or liquefaction facility is not considered a public utility if the owner or operator is not otherwise regulated by the commission as a public utility.'

SUMMARY

This amendment clarifies that the Public Utilities Commission has safety jurisdiction over facilities that are used to liquefy or compress natural gas for sale or distribution to others by means other than a pipeline and that are owned or operated by an affiliate of the owner of a private natural gas pipeline.

FISCAL NOTE REQUIRED

(See attached)



Approved: 03/22/12 *MAC*

125th MAINE LEGISLATURE

LD 1883

LR 2839(02)

An Act To Clarify the Regulation of Private Natural Gas Pipelines

Fiscal Note for Bill as Amended by Committee Amendment "A" S 479

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

The bill provides that the Public Utilities Commission has safety jurisdiction over facilities that are used to liquify or compress natural gas for sale or distribution to others by means other than a pipeline and that are owned or operated by an affiliate of the owner of a natural gas pipeline. Any additional costs to the Public Utilities Commission can be absorbed within existing resources.