

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2012

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Legislative Document

No. 1883

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S.P. 660

In Senate, March 15, 2012

### An Act To Clarify the Regulation of Private Natural Gas Pipelines

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by President RAYE of Washington.  
Cosponsored by Representative FITTS of Pittsfield and  
Senators: BARTLETT of Cumberland, HOBBS of York, THIBODEAU of Waldo,  
Representative: CAIN of Orono.

1 **Be it enacted by the People of the State of Maine as follows:**

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

4 **1. Private natural gas pipelines; customer; definitions.** As used in this section,  
5 "private natural gas pipeline" means a pipeline that is used solely for the transport of  
6 natural gas to a single customer, is owned by the customer ~~or an affiliate of the customer~~  
7 and whose owner or operator is not otherwise regulated by the commission as a natural  
8 gas pipeline utility or gas utility. For purposes of this subsection, "customer" includes an  
9 affiliate of a customer.

10 **Sec. 2. 35-A MRSA §4517, sub-§5** is enacted to read:

11 **5. Sale by affiliate of liquefied natural gas or compressed natural gas.** A private  
12 natural gas pipeline that delivers natural gas to its affiliate who then liquefies or  
13 compresses the natural gas for sale or distribution to others by means other than by a  
14 pipeline is not, as a result of the delivery, considered a public utility. The owner or  
15 operator of an affiliate of a private natural gas pipeline that receives deliveries of natural  
16 gas that it liquefies or compresses for sale or distribution to others by means other than by  
17 a pipeline is not considered a public utility if the owner or operator of the affiliate is not  
18 otherwise regulated by the commission as a public utility.

19 **SUMMARY**

20 This bill:

21 1. Specifies that only private natural gas pipelines whose owners and operators are  
22 not otherwise regulated by the Public Utilities Commission as a utility are private natural  
23 gas pipelines, and specifies that the term "customer" includes the affiliate of a customer,  
24 for the purposes of the laws governing such pipelines;

25 2. Provides that a private natural gas pipeline that delivers natural gas to its affiliate  
26 who then liquefies or compresses the natural gas for sale or distribution to others by  
27 means other than by a pipeline is not, as a result of the delivery, considered a public  
28 utility; and

29 3. Provides that the owner or operator of an affiliate of a private natural gas pipeline  
30 that receives deliveries of natural gas that it liquefies or compresses for sale or  
31 distribution to others by means other than by a pipeline is not considered a public utility if  
32 the owner or operator of the affiliate is not otherwise regulated by the commission as a  
33 public utility.