

NATURAL GAS AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor: Kevin T. Van Tassell

LONG TITLE

General Description:

This bill amends provisions of the Public Utilities Code related to natural gas pipelines.

Highlighted Provisions:

This bill:

- ▶ modifies civil penalties for violating a provision of the Public Utilities Code; and
- ▶ requires a person engaged in intrastate pipeline transportation to maintain an

inspection plan.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

54-13-3, as enacted by Laws of Utah 1989, Chapter 131

54-13-8, as enacted by Laws of Utah 2011, Chapter 426

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **54-13-3** is amended to read:

54-13-3. Rules.

The commission shall adopt and enforce rules pursuant to Section **54-13-2** including rules which:

- (1) incorporate the safety standards established under the federal Natural Gas Pipeline

30 Safety Act that are applicable to intrastate pipeline transportation; and

31 (2) require persons engaged in intrastate pipeline transportation to:

32 (a) maintain records and to submit reports and information to the commission to enable
33 the commission to determine whether the person is acting in compliance with this chapter or
34 rules adopted under this chapter; and

35 (b) [~~file, with the commission for its approval,~~] maintain a plan for inspection and
36 maintenance of each pipeline facility that is available to the commission upon commission
37 request.

38 Section 2. Section **54-13-8** is amended to read:

39 **54-13-8. Violation of chapter -- Penalty.**

40 (1) Any person engaged in intrastate pipeline transportation who is determined by the
41 commission, after notice and an opportunity for a hearing, to have violated any provision of
42 this chapter or any rule or order issued under this chapter, is liable for a civil penalty of not
43 more than [~~\$10,000~~] \$100,000 for each violation for each day the violation persists.

44 (2) The maximum civil penalty assessed under this section may not exceed [~~\$500,000~~]
45 \$1,000,000 for any related series of violations.

46 (3) The amount of the penalty shall be assessed by the commission by written notice.

47 (4) In determining the amount of the penalty, the commission shall consider:

48 (a) the nature, circumstances, and gravity of the violation; and

49 (b) with respect to the person found to have committed the violation:

50 (i) the degree of culpability;

51 (ii) any history of prior violations;

52 (iii) the effect on the person's ability to continue to do business;

53 (iv) any good faith in attempting to achieve compliance;

54 (v) the person's ability to pay the penalty; and

55 (vi) any other matter, as justice may require.

56 (5) (a) A civil penalty assessed under this section may be recovered in an action
57 brought by the attorney general on behalf of the state in the appropriate district court, or before

58 referral to the attorney general, it may be compromised by the commission.

59 (b) The amount of the penalty, when finally determined, or agreed upon in
60 compromise, may be deducted from any sum owed by the state to the person charged.

61 (6) Any penalty collected under this section shall be deposited in the General Fund.