

JAN 21 2011

A BILL FOR AN ACT

RELATING TO GAS PIPELINE SYSTEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. On September 9, 2010, a gas pipeline ruptured
2 in San Bruno, California, which caused an explosion and fire
3 that killed eight people and destroyed thirty-seven homes. This
4 tragic loss of life and damage to property shines a light on the
5 need to ensure that Hawaii does all it can to ensure the safety
6 of its gas pipelines and its people.

7 The legislature finds that Hawaii is one of only two states
8 without state oversight of natural gas pipeline safety. As a
9 result, the federal Office of Pipeline Safety, under the U.S.
10 Department of Transportation, is the only agency responsible for
11 conducting safety checks of all gas pipelines in the State.
12 However, congressional hearings revealed that there are only
13 about 100 federal inspectors to check all of the nation's gas
14 pipelines. This leaves the State in a compromised position
15 because it does not conduct its own inspections in addition to
16 those conducted by the federal government.

17 The purpose of this bill is to give the public utilities
18 commission oversight authority for the State's gas pipelines.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . GAS PIPELINE SYSTEMS

5 §269-A Definitions. As used in this part, unless the
6 context otherwise requires:

7 "Commission" means the public utilities commission.

8 "Gas" means manufactured gas, hydrocarbon gas, mixture of
9 manufactured and hydrocarbon gas, flammable gas, or gas that is
10 toxic or corrosive or both.

11 "Master meter system" means a pipeline system, not owned or
12 operated by a public utility, for distributing gas within a
13 definable area, including but not limited to a mobile home park,
14 a housing project, and an apartment complex, where the operator
15 of the system purchases gas from an outside source for resale
16 through the pipeline system to an ultimate consumer or ultimate
17 consumers at a metered or flat rate or at a price determined in
18 any other manner.

19 "Pipeline" or "pipeline system" means all parts of those
20 physical facilities through which gas moves in transmission,
21 including pipes, valves and other appurtenances attached to



1 pipes, compressor units, metering stations, regulator stations,
2 delivery stations, holders, and fabricated assemblies.

3 "Operator" means a person who engages in the transmission
4 of gas.

5 **§269-B Master meter system; operators; compliance. (a)**

6 The commission, by rule, shall establish safety standards
7 consistent with the regulations adopted by the United States
8 Office of Pipeline Safety for pipelines and master meter
9 systems. Standards may be established for, among other things:
10 the design, installation, construction, inspection, testing,
11 extension, operation, replacement, and maintenance of pipeline
12 facilities; emergency plans and procedures; and reporting
13 requirements. The standards affecting the design, installation,
14 construction, initial inspection, and initial testing of
15 pipeline facilities shall not apply to those master meter
16 systems in existence on the date the standards are adopted.

17 (b) All operators of master meter systems shall comply
18 with the commission's rules adopted pursuant to subsection (a).
19 Any person violating the rules shall be subject to the penalties
20 provided in section 269-28.

21 **§269-C Inspection.** Officers, employees, or agents
22 authorized by the commission, upon presenting appropriate



1 credentials, may enter upon, inspect, and examine at reasonable
2 times or in times of an emergency the records and properties of
3 any operator to determine compliance by the operator with the
4 commission's rules governing pipelines and master meter systems.

5 **§269-D Enforcement.** In addition to the penalties that may
6 be imposed under section 269-28, the commission, if in its
7 judgment there is a hazardous condition in a pipeline or master
8 meter system and a likelihood of serious harm to life or
9 property, may request the attorney general to bring an action in
10 an appropriate court for necessary or appropriate relief,
11 including mandatory or prohibitory injunctive relief."

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so much
14 thereof as may be necessary for fiscal year 2011-2012 and the
15 same sum or so much thereof as may be necessary for fiscal year
16 2012-2013 to carry out the purposes of this Act, including the
17 hiring of necessary staff.

18 The sums appropriated shall be expended by the public
19 utilities commission for the purposes of this Act.


20 SECTION 4. In codifying the new sections added by section
21 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 5. This Act shall take effect upon its approval.

4

INTRODUCED BY: Will Eyo




Report Title:

Public Utilities Commission; Gas Pipeline Inspections

Description:

Authorizes the public utilities commission to establish, inspect, and enforce safety standards consistent with federal safety standards for gas pipelines.

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