

Regular Session, 2014

HOUSE BILL NO. 933

BY REPRESENTATIVE MONTOUCET

ENERGY/PIPELINES: Creates the "Louisiana Liquid Natural Gas Pipeline Law"

1 AN ACT

2 To enact Chapter 10 of Title 30 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 30:1001 through 1006, relative to natural gas liquids pipelines and pipeline
4 facilities; to provide for definitions; to provide for the duties and powers of the
5 commissioner of conservation; to provide for expropriation; to provide for public
6 hearings; to provide for certificates of public convenience and necessity; to provide
7 for enforcement; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 10 of Title 30 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 30:1001 through 1006, is hereby enacted to read as follows:

11 CHAPTER 10. NATURAL GAS LIQUIDS PIPELINE LAW

12 §1001. Short title

13 This Part shall be known and may be cited as the "Louisiana Natural Gas
14 Liquids Pipeline Law".

15 §1002. Definitions

16 As used in this Part, the following words and phrases have the meanings
17 hereinafter ascribed to them:

18 (1) "Assistant secretary" means the assistant secretary of the office of
19 conservation of the Department of Natural Resources.

1 (2) "Intrastate pipeline facility" means pipeline facilities situated wholly
2 within the boundaries of this state and which are used in the transportation of natural
3 gas liquids in intrastate commerce.

4 (3) "Person" means any individual, firm, joint venture, partnership,
5 corporation, association, any political subdivision of this state, municipality,
6 cooperative association, or joint stock association, and includes any trustee, receiver,
7 assignee, or personal representative thereof.

8 (4) "Pipeline facility" means and shall include, without limitation, new and
9 existing pipe, right of way, and any equipment, facility, or building used or intended
10 for use in the transportation of natural gas liquids; but, rights of way as used in this
11 Chapter do not authorize the assistant secretary to prescribe the location or the
12 routing of any pipeline facility.

13 (6) "Transportation of natural gas liquids" means the movement of natural
14 gas liquids by pipeline, or their storage incidental to such movement; however, it
15 shall not include any such movement through gathering lines in rural locations,
16 onshore production, refining, or manufacturing facilities, or storage or in-plant
17 piping systems associated with any of such facilities.

18 §1003. Duties and powers of the commissioner; rule and regulations; permits

19 A. The office of conservation's actions pursuant to this Chapter shall be
20 directed and controlled by the commissioner. The commissioner shall have authority
21 to:

22 (1) Regulate the construction, design, and operation of pipelines transmitting
23 natural gas liquids and associated facilities.

24 (2) Issue certificates of public convenience and necessity for pipelines
25 transmitting natural gas liquids and associated facilities.

26 (3) Declare pipelines transmitting natural gas liquids and associated facilities
27 as common carriers.

28 (4) Enter into an agency relationship with the United States Department of
29 Transportation to enforce compliance with safety standards with respect to interstate

1 pipeline facilities or the transportation of natural gas liquids associated with those
2 facilities.

3 (5) To make, after notice and hearings as provided in this Chapter, any
4 reasonable rules, regulations, and orders that are necessary from time to time in the
5 proper administration and enforcement of this Chapter, including rules, regulations,
6 or orders for the following purposes:

7 (a) To establish minimum safety standards for pipeline facilities and the
8 transportation of natural gas liquids.

9 (b) To prevent the intrusion of natural gas liquids into oil, gas, salt
10 formation, or other commercial mineral strata.

11 (c) To prevent the pollution of fresh water supplies by oil, gas, salt water, or
12 natural gas liquids.

13 (d) To require the closure of pipelines and associated surface facilities, the
14 removal of equipment, structures, and trash, and to otherwise require a general site
15 cleanup of such abandoned pipelines.

16 (6)(a) To make such inquiries as he deems proper to determine whether or
17 not waste, over which he has jurisdiction, exists or is imminent.

18 (b) In the exercise of this power, the commissioner has the following
19 authority:

20 (i) To collect data.

21 (ii) To make investigations and inspections.

22 (iii) To examine properties, papers, books, and records.

23 (iv) To examine, survey, check, test, and gauge pipelines and associated
24 facilities.

25 (v) To hold hearings.

26 (vi) To provide for the keeping of records and the making of reports.

27 (vii) To require the submission of an emergency phone number by which the
28 operator may be contacted in case of an emergency.

1 (viii) To take any action as reasonably appears to him to be necessary to
2 enforce this Chapter.

3 B.(1) Prior to the use of any pipeline to transport natural gas liquids and prior
4 to the exercise of eminent domain by any person, firm, or corporation having such
5 right pursuant to the laws of the state of Louisiana, and as a condition precedent to
6 such use or to the exercise of such rights of eminent domain, the commissioner, after
7 public hearing pursuant to the provisions of R.S. 30:6, held in at least one parish
8 where the pipeline is to be located, shall have found all of the following:

9 (a) That the pipeline sought to be used for the transportation of natural gas
10 liquids is suitable and feasible for such use.

11 (b) That the use of the pipeline transporting natural gas liquids will not
12 contaminate formations containing fresh water, oil, gas, or other commercial mineral
13 deposits.

14 (c) That the proposed pipeline will not endanger human lives or cause a
15 hazardous condition to property.

16 (2) If the proposed pipeline is partly located in another state or jurisdiction,
17 the commissioner shall confirm that the applicable regulatory authority of that state
18 or jurisdiction has approved or authorized the transportation of natural gas liquids
19 in association with such project.

20 C. The eminent domain authority authorized by this Chapter shall be
21 exercised pursuant to the procedures found in R.S. 19:2, and shall be in addition to
22 any other power of eminent domain authorized by law.

23 D. The commissioner is neither a necessary nor indispensable party to an
24 eminent domain proceeding, and if named as a party or third party has an absolute
25 right to be dismissed from said action at the expense of the party who names the
26 commissioner. The commissioner shall recover all costs reasonably incurred to be
27 dismissed from the action, including attorney fees.

28 §1004. Hearings; notice; rules of procedures; emergency; service of process; public
29 records; request for hearings; orders and compliance orders

1 A. All public hearings under this Chapter shall be conducted pursuant to the
2 provisions of R.S. 30:6.

3 B. All rules, regulations, and orders made by the commissioner pursuant to
4 this Chapter shall be made pursuant to the Administrative Procedure Act and shall
5 be entered in full by him in a book kept for that purpose. This book shall be a public
6 record and shall be open for inspection at all times during reasonable office hours
7 and shall be available on the website of the Department of Natural Resources. A
8 copy of a rule, regulation, or order, certified by the commissioner, shall be received
9 in evidence in all courts of this state with the same effect as the original.

10 C. Any interested person has the right to have the commissioner call a
11 hearing for the purpose of taking action in respect to a matter within the jurisdiction
12 of the commissioner as provided in this Chapter by making a request therefor in
13 writing and paying the hearing fee set by the commissioner, as provided by law for
14 a hearing conducted pursuant to R.S. 30:6. Upon receiving the request and payment
15 of the required fees the commissioner shall promptly call a hearing. After the
16 hearing and with all convenient speed and within thirty days after the conclusion of
17 the hearing, the commissioner shall take whatever action he deems appropriate with
18 regard to the subject matter.

19 §1005. Certificates of public convenience and necessity; certificate of completion
20 of injection operations

21 The commissioner shall issue a certificate of public convenience and
22 necessity to each person applying therefor if, after a public hearing pursuant to the
23 provisions of R.S. 30:6, held in at least one parish where the pipeline transporting
24 natural gas liquids is to be located, he determines the following:

25 (1) That the proposed pipeline and associated facilities are required by the
26 present or future public convenience and necessity.

27 (2) That the proposed pipeline meets the requirements of R.S. 30:1003(B).

28 (3) That the proposed pipeline meets the requirements of any rules adopted
29 pursuant to this Chapter.

- 1 §1006. Administration and enforcement
- 2 Except as otherwise provided in this Part, the provisions of R.S. 30:6, 30:8,
- 3 30:13, 30:15, and 30:21 shall apply to the administration and enforcement of this
- 4 Chapter.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Montoucet

HB No. 933

Abstract: Creates the "Louisiana Natural Gas Liquids Pipeline Law".

Proposed law provides definitions for "assistant secretary", intrastate pipeline facility", "person", "pipeline facility", and "transportation of natural gas liquids".

Proposed law authorizes the commissioner of conservation to regulate the construction, design and operation of; issue certificates of public convenience and necessity for; and declare the status of as a common carrier of pipelines transmitting natural gas liquids and associated facilities.

Proposed law authorizes the commissioner to enter into agreements with the U.S. Dept. of Transportation to enforce compliance with safety standards.

Proposed law authorizes the commissioner to make any reasonable rules, regulations, and orders that are necessary for the administration and enforcement of proposed law.

Proposed law provides such rules, regulations, and orders may include minimum safety standards, the prevention of the intrusion of natural gas liquids into other formations, the prevention of the pollution of fresh water supplies, and to require the proper closure of pipelines and associated surface facilities.

Proposed law authorizes the commissioner to make inquires, collect data, investigate, inspect, examine, hold hearings, require the keeping of records and submission of emergency contact information, and take any action as reasonably necessary to enforce proposed law.

Proposed law requires that prior to the use of any pipeline to transport natural gas liquids and prior to the exercise of eminent domain, the commissioner, after public hearing, held in at least one parish where the pipeline is to be located, shall have found all of the following:

- (1) That the pipeline sought to be used for the transportation of natural gas liquids is suitable and feasible for such use.
- (2) That the use of the pipeline will not contaminate formations containing fresh water, oil, gas, or other commercial mineral deposits.
- (3) That the proposed pipeline will not endanger human lives or cause a hazardous condition to property.

Proposed law provides that if the proposed pipeline is partly located in another state or jurisdiction, the commissioner shall confirm that the applicable regulatory authority of that

state or jurisdiction has approved or authorized the transportation of natural gas liquids in association with such project.

Proposed law provides that the eminent domain authority authorized by proposed law shall be exercised pursuant to the procedures found in present law, and shall be in addition to any other power of eminent domain authorized by law.

Proposed law provides that the commissioner is neither a necessary nor indispensable party to an eminent domain proceeding, and if named as a party or third party has an absolute right to be dismissed from said action at the expense of the party who names the commissioner. Provides that the commissioner shall recover all costs reasonably incurred, including attorney fees.

Proposed law provides for the procedure for making rules, regulations, and orders and for interested persons in requesting hearings pursuant to present law.

Proposed law requires the commissioner to issue a certificate of public convenience and necessity after application and a public hearing, held in at least one parish where the pipeline transporting natural gas liquids is to be located, and determines that the proposed pipeline and associated facilities are required by the present or future public convenience and necessity, meets the requirements of proposed law, and any rules adopted pursuant to proposed law.

Proposed law provides for the administration and enforcement of proposed law.

(Adds R.S. 30:1001-1006)