

1999 HOUSE NATURAL RESOURCES

HB 1087

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1087

House Natural Resources Committee

Conference Committee

Hearing Date 1/14/99

Tape Number	Side A	Side B	Meter #
3	x		21.0-40.9
Committee Clerk Signature <i>Kevin Borch</i>			

Minutes:

SUMMARY OF THE BILL: A BILL for an Act to create and enact a new subsection to section 49-02-01.2 of the North Dakota Century Code, relating to reporting of natural gas incidents.

Chairman Grosz opened the hearing on HB 1087 in the Pioneer Room. All committee members were present: Chairman Grosz, Vice-Chairman Henegar, Rep. Drovdal, Rep. Galvin, Rep. DeKrey, Rep. Nottestad, Rep. Nelson, Rep. Clark, Rep. Porter, Rep. Martinson, Rep. Hanson, Rep. Kelsh, Rep. Lundgren, Rep. Sandvig, Rep. Solberg.

Charles Johnson of the Public Service Commission appeared in favor of HB 1087. (see attached testimony)

Chairman Grosz asks if a gas incident is reported to the Public Service Commission first, then they would save a phone call for the person reporting the incident.

Mr. Johnson concurred with Chairman Grosz.

Chairman Grosz then asked who would be liable if the Public Service Commission were to misjudge an incident.

Mr. Johnson then turned the questioning over to Alan Moch, director of the Commission's Testing and Safety Division, who then answered that if a person still wished to report an incident to the federal government, then they still could, he states that he supports the bill, because he would like his office to be notified first.

Chairman Grosz then questioned further on the topic of liability.

Rep. Lundgren asked if the Public Service Commission is working for the federal government, then when contacting that office, aren't people in essence contacting the federal government.

Mr. Mock then answered "yes."

Chairman Grosz closed the hearing on HB 1087 without taking action.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1087

House Natural Resources Committee

Conference Committee

Hearing Date 1/15/99

Tape Number	Side A	Side B	Meter #
1		x	9.1
Committee Clerk Signature			

Minutes:

SUMMARY OF THE BILL: A BILL for an Act to create and enact a new subsection to section 49-02-01.2 of the North Dakota Century Code, relating to reporting of natural gas incidents.

Chairman Grosz reopened the hearing on HB 1087 in the Pioneer Room. All committee members were present: Chairman Grosz, Vice-Chairman Henegar, Rep. Drovdal, Rep. Galvin, Rep. DeKrey, Rep. Nottestad, Rep. Nelson, Rep. Clark, Rep. Porter, Rep. Martinson, Rep. Hanson, Rep. Kelsh, Rep. Lundgren, Rep. Sandvig, Rep. Solberg.

Chairman Grosz mentioned an amendment that was turned into him by Mr. Johnson from the PSC, where the PSC would be contacted at the same time as the federal government.

Rep. Lundgren raises the point that she thinks the bill should be left as it is.

Page 2
House Natural Resources Committee
Bill/Resolution Number hb1087-2.lwp
Hearing Date 1/15/99

Rep. Drovdal says that he agrees with Rep. Lundgren, and he wonders why the bill should even be in the books.

Rep. Nelson moves for a DO NOT PASS.

Rep. DeKrey seconds the motion.

Rep. Lundgren opposes a DO NOT PASS motion.

Rep. Porter responds to Lundgren in opposition.

HB 1087 is not passed, with a vote of 12 in favor of the DO NOT PASS motion, 3 in opposition, and 0 absent.

Date: 1/15/99
 Roll Call Vote #: 1

**1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO.**

House House Natural Resources Committee

Subcommittee on 1087

or

Conference Committee

Legislative Council Amendment Number Do Not Pass

Action Taken _____

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Mick Grosz	✓				
Vice-Chairman Dale Henegar	✓				
Representative David Drovdal	✓				
Representative Pat Galvin	✓				
Representative Duane DeKrey	✓				
Rep. Darrell D. Nottestad	✓				
Representative Jon O. Nelson	✓				
Representative Byron Clark	✓				
Representative Todd Porter	✓				
Representative Jon Martinson	✓				
Reperesentative Lyle Hanson	✓				
Representative Scot Kelsh		✓			
Representative Deb Lundgren		✓			
Representative Sally M. Sandvig		✓			
Representative Dorvan Solberg	✓				

Total (Yes) 12 No 3

Absent _____

Floor Assignment Porter

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 18, 1999 9:04 a.m.

Module No: HR-10-0734
Carrier: Porter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1087: Natural Resources Committee (Rep. Grosz, Chairman) recommends **DO NOT PASS** (12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1087 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

HB 1087

H.B. 1087

Presented by: Charles E. Johnson
Public Service Commission

Before: Natural Resources Committee
Representative Mick Grosz, Chairman

Date: January 14, 1999

TESTIMONY

Mr. Chairman and committee members, I am Charles E. Johnson, an attorney with the Public Service Commission (Commission) and with me is Alan Moch, director of the Commission's Testing and Safety Division. We appear on behalf of the Commission in support of HB 1087, which creates one new subsection to Chapter 49-02-01, which relates to the reporting of incidents involving gas pipelines.

The North Dakota Public Service Commission participates in, and receives some funding from the Federal/State Gas Pipeline Safety Program. The Commission acts as agent for the U.S. Department of Transportation, Office of Pipeline Safety, in the enforcement of the minimum gas pipeline safety standards on all gas distribution and intrastate transmission facilities within the State. This is accomplished by entering into an agreement with the U.S. Department of Transportation, part of which requires the Commission to request enactment of specific laws enabling the Commission to enforce the federal mandates within the gas pipeline safety program. In addition to requesting

legislation, the Commission also annually adopts into the Administrative Code all federal amendments to the gas pipeline safety program.

Legislation to enact laws enabling enforcement of a federal/state program are generally handled at the beginning of the program. From time to time, however, changes in federal codes and program requirements necessitate additional requests for legislation. That is why we appear before you today.

Under the U.S. Department of Transportation, Office of Pipeline Safety's (OPS) minimum gas pipeline safety standards, title 49, Code of Federal Regulations, part 191, section 3 (as adopted into Chapter 69-09-03-02, of the North Dakota Administrative Code), an "incident" is defined as follows:

"any event that involves the release of gas from a pipeline or facility and: a death, or personal injury resulting in hospitalization; estimated property damage, including the cost of gas lost, of the operator or others, or both, of \$50,000 or more; or, any event that is significant, in the judgment of the operator, even though it did not meet the criteria listed above."

If an incident occurs, OPS requires that the Commission dispatch an inspector to the scene as soon as possible to evaluate, and, if necessary, investigate the cause of the incident. In the past, the gas operators have been very cooperative in their timely notification to the Commission of events which, in their estimation, could be defined as incidents. However, the current federal and state laws do not require that notification to the State. In the fall of 1998, an "incident" occurred and was subsequently reported to the federal government as

required under Title 49, Code of Federal Regulations, Part 191, section 5. No initial notification was made to the State, so it was unable to conduct an evaluation of the event prior to federal notification. After the Commission finally evaluated the event, it was found not to be a reportable incident and had to be removed from the federal and state records as such. Upon evaluation of the entire event, including discussions with the State's gas operators, the Commission saw the need for legal clarification of the federal/state incident reporting requirements.

We believe that this new addition clarifies the State's role in the initial evaluation and subsequent investigation of intrastate gas incidents for all of the parties concerned.

Mr. Chairman, that concludes our testimony. We would be happy to respond to any questions from the committee at this time.