

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

*As Engrossed: S3/17/99*

# A Bill

Act 1048 of 1999  
SENATE BILL 654

5 By: Senators Harriman, Mahony  
6 By: Representatives Carson, Ammons, Sheppard, Cleveland, Files  
7

## For An Act To Be Entitled

10 "AN ACT TO AMEND THE 'ARKANSAS NATURAL GAS PIPELINE  
11 SAFETY ACT OF 1971', SPECIFICALLY ARKANSAS CODE 23-15-  
12 204 AND 23-15-205 TO CLARIFY THE ARKANSAS PUBLIC  
13 SERVICE COMMISSION'S JURISDICTION; AND FOR OTHER  
14 PURPOSES. "

## Subtitle

15  
16 "TO AMEND THE ARKANSAS NATURAL GAS  
17 PIPELINE SAFETY ACT OF 1971 AND TO  
18 CLARIFY THE PUBLIC SERVICE COMMISSION'S  
19 JURISDICTION. "  
20  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24  
25 SECTION 1. Arkansas Code 23-15-203 is amended to read as follows:

26 "23-15-203. Definitions.

27 As used in this subchapter, unless the context otherwise requires:

28 (1) 'Person' means ~~any~~ an individual, firm, joint venture, partnership,  
29 corporation, association, state, municipality, cooperative association, or  
30 joint-stock association and includes any trustee, receiver, assignee, or  
31 personal representative thereof;

32 (2) 'Gas' means natural gas, flammable gas, or gas which is toxic or  
33 corrosive;

34 (3) 'Transportation of gas' means the gathering, transmission, or  
35 distribution of gas by pipeline or its storage in or through any pipeline  
36 facilities other than interstate transmission facilities as defined in this

1 section. It shall not include production facilities or the production  
 2 process. It shall not include the gathering of gas in those rural locations  
 3 which lie outside the limits of any incorporated or unincorporated city, town,  
 4 village, or any other designated residential or commercial area such as a  
 5 subdivision, a business or shopping center, a community development, or any as  
 6 a nonrural area; however, it shall specifically include the gathering,  
 7 transmission or distribution of natural gas containing one hundred (100) or  
 8 more parts per million of hydrogen sulfide from the ~~wellhead~~ custodial  
 9 transfer meter through any pipeline, rural or nonrural, to and through any  
 10 pipeline facility that removes hydrogen sulfide;

11 (4) 'Production facilities' includes without limitation, piping or  
 12 equipment used in the production, extraction, recovery, lifting,  
 13 stabilization, separation or treatment of natural gas or associated storage or  
 14 measurement from the wellhead to a meter where the gas is transferred to a  
 15 custodian other than the well operator for gathering or transport, commonly  
 16 known as a 'custodial transfer meter';

17 (5) 'Production process' means the extraction of gas from the  
 18 geological source of supply to the surface of the earth, thence through the  
 19 lines and equipment used to treat, compress and measure the gas between the  
 20 wellhead and the meter where it is either sold or delivered to a custodian  
 21 other than the well operator for gathering and transport to a place of sale,  
 22 sometimes called 'custodial transfer meter';

23 ~~(4)(6) 'Pipeline facilities' includes, without limitation, pipe, pipe~~  
 24 ~~rights-of-way, and any equipment facility or building used in the~~  
 25 ~~transportation of gas or the treatment of gas during the course of~~  
 26 ~~transportation, including any facility which removes hydrogen sulfide from~~  
 27 ~~gas, but 'rights-of-way' as used in this subchapter does not authorize the~~  
 28 ~~commission to prescribe the location or routing of any pipeline facility other~~  
 29 ~~than hydrogen sulfide facilities;~~

30 ~~(5)(7) 'Municipality' means a city, county, or any other political~~  
 31 ~~subdivision of a state;~~

32 ~~(6)(8) 'Interstate transmission facilities' means pipeline facilities~~  
 33 ~~used in the transportation of gas which are subject to the jurisdiction of the~~  
 34 ~~Federal Energy Regulatory Commission under the Natural Gas Act; and~~

35 ~~(7)(9) 'Commission' means the Arkansas Public Service Commission."~~

36

1 SECTION 2. Arkansas Code 23-15-205(e) is amended to read as follows:

2 ~~"(e) Except for pipeline facilities that gather, transport, distribute,~~  
3 ~~or process natural gas containing one hundred (100) or more parts per million~~  
4 ~~of hydrogen sulfide, standards~~ Standards affecting the design, installation,  
5 construction, initial inspection, and initial testing shall not be applicable  
6 to pipeline facilities in existence on the date such standards are adopted."  
7

8 SECTION 3. (a) The Pipeline Safety office of the Arkansas Public  
9 Service Commission shall continue its administration of, and shall continue to  
10 conduct, safety inspections for any natural gas pipeline facilities which  
11 contain one hundred (100) or more parts per million of hydrogen sulfide which  
12 are, by this act, or any other act of the General Assembly, transferred to or  
13 placed under the jurisdiction of the Arkansas Oil and Gas Commission until the  
14 earlier of such time as:

15 (1) The Arkansas Oil and Gas Commission receives certification  
16 from the United States Department of transportation to administer and conduct  
17 the required safety inspections;

18 (2) The Arkansas Oil and Gas Commission has obtained the  
19 appropriate equipment to conduct the required inspections; and

20 (3) The Arkansas Oil and Gas Commission has established  
21 inspection criteria equal to, but not less stringent than, that currently in  
22 force for the facilities in question as set out in the Arkansas Gas Pipeline  
23 code, or one (1) year from the effective date of this act.

24 (b) Prior to the Arkansas Oil and Gas Commission assuming exclusive  
25 jurisdiction over any natural gas pipeline facility which contains one hundred  
26 (100) or more parts per million of hydrogen sulfide transferred to it by this  
27 act; or any other act of the General Assembly, there shall be a joint  
28 inspection by the Pipeline Safety Office of the Arkansas Public Service  
29 commission and the Arkansas Oil and Gas Commission of all natural gas pipeline  
30 facilities which contain one hundred (100) or more parts per million of  
31 hydrogen sulfide, the exclusive jurisdiction over administration and safety  
32 inspections of which is being transferred from the Pipeline Safety Office of  
33 the Arkansas Public Service Commission to the Arkansas Oil and Gas Commission,  
34 to ensure that, at that point in time when transfer occurs, the compliance  
35 status of the pipelines is documented and the responsibility for bringing any  
36 pipeline code violations into compliance shall rest with the Arkansas Oil and

1 Gas Commission.

2  
3 SECTION 4. All provisions of this act of a general and permanent nature  
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
5 Revision Commission shall incorporate the same in the Code.

6  
7 SECTION 5. If any provision of this act or the application thereof to  
8 any person or circumstance is held invalid, such invalidity shall not affect  
9 other provisions or applications of the act which can be given effect without  
10 the invalid provision or application, and to this end the provisions of this  
11 act are declared to be severable.

12  
13 SECTION 6. All laws and parts of laws in conflict with this act are  
14 hereby repealed.

15  
16 SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the  
17 Eighty-second General Assembly that confusion exists concerning the proper  
18 state agency to have jurisdiction over natural gas production facilities and  
19 that the confusion has subjected natural gas production companies to  
20 conflicting jurisdictions of the Oil and Gas Commission and the Arkansas  
21 Public Service Commission. Therefore, in order to promote the most efficient  
22 regulation of natural gas production facilities and remove any conflict as to  
23 jurisdiction, an emergency is declared to exist and this act being immediately  
24 necessary for the preservation of the public peace, health and safety shall  
25 become effective on the date of its approval by the Governor. If the bill is  
26 neither approved nor vetoed by the Governor, it shall become effective on the  
27 expiration of the period of time during which the Governor may veto the bill.  
28 If the bill is vetoed by the Governor and the veto is overridden, it shall  
29 become effective on the date the last house overrides the veto.

30 /s/ Harriman

31  
32  
33 APPROVED: 4/1/1999