

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

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

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

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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."

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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."
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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.

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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.

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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.

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14 hereby repealed.

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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