



Memo

DATE: August 7, 2011
TO: Transportation, Water and Infrastructure Committee
Supervisor Mary N. Piepho, District III, Chair
Supervisor Karen Mitchoff, District IV, Vice Chair
FROM: Julia R. Bueren, Public Works Director
SUBJECT: Legislation Related to Pipelines

Recommendation

Receive report on legislation related to pipelines.

Financial Impact

There is no impact to the County General Fund. Management of the Iron Horse Corridor is funded by the Iron Horse Corridor Trust Fund.

Background

New Legislation:

At the August TWIC meeting, the committee requested staff to review new legislation related to pipelines and if applicable, provide comments based on what is in the best interest of the County and its residents. The enclosed attachment provides information on new bills related to pipelines. All of the bills in this document are for public utilities. Because the Kinder Morgan pipeline in the Iron Horse Corridor (IHC) carries hazardous liquid that is regulated by the State Fire Marshal, the new bills would not apply to Kinder Morgan. The State Fire Marshal's (SFM) Office staff did indicate that although it's possible some requirements from the attached bills may have a future impact on liquid hazardous pipelines, none do at this time. For example, one of the bills includes a requirement for installation of shut-off or remote controlled valves on certain transmission lines. If this requirement was imposed on liquid hazardous pipelines it would affect the one automatic shut off valve for the Kinder Morgan line in the IHC. Staff will continue to monitor the bills and new requirements on liquid hazardous pipelines.

Pipeline Inspection and Repair Reports:

At the June TWIC meeting a concern was raised about the Public Works Department not receiving copies of pipeline inspection and repair reports and pipeline test results from Kinder Morgan when they perform work in the IHC and this information not being available to the public. The SFM Office stated at the time that they were reviewing their public records access policy with their legal department. Public Works staff recently spoke with SFM staff and they have decided on the following process for records requests: The public can make a public records access request by providing in writing the specific information on what they are looking for. The following website <http://www.fire.ca.gov/> contains Guidelines to Access Public Records. If the State Fire Marshall's Office was on-site when Kinder Morgan made an inspection and/or repair of a pipeline, they will provide the report to the public requesting it. If they were not on-site during the work, a report would not be available. The attached bills do not address the availability of inspection and repair reports.

Kinder Morgan Easement in the IHC:

Kinder Morgan has an easement with the County for their pipeline in the IHC. This easement was originally between Southern Pacific Transportation Company and Kinder Morgan. The easement was transferred to the County when the property was acquired from Southern Pacific Transportation Company. Staff has been asked about the process to amend the County's easement with Kinder Morgan to include new requirements such as providing copies of inspection and repair reports. The County can initiate dialog with Kinder Morgan regarding the possibility of amending the easement, although this would be a time consuming and expensive process that may not result in a new agreement.

Consequences of Negative Action

The committee will not receive information on pipeline related bills.

Please feel free to contact Carrie Ricci at 313-2235 if you have any questions.

JRB:CR:mw

Enclosure

G:\transeng\Iron Horse Corridor\Utilities (misc)\Kinder Morgan\Memo - TWIC Bills Related to Pipelines 9-7-11.doc

- c: IHC Advisory Committee
- S. Kowalewski, Deputy Director
- C. Ricci, IHC Manager, Administration
- M. Wara, Administration

**Legislative Tracking Report on
Bills Related to Pipelines
08-11-11**

CA AB 56

AUTHOR: Hill [D]
TITLE: Public Utilities: Rate Recovery: Pipeline Safety
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/06/2010
LAST AMEND: 07/13/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:

Prohibits a gas corporation from recovering any fine or penalty in any rate approved by the Public Utilities Commission. Requires those corporations to file gas transmission and storage safety reports and to maintain a specified account and related records. Requires the corporation to maintain a specified account for specified expense recovery. Requires corporations and local fire officials to meet regarding the installation of safety equipment. Requires the preparation of a pressure testing plan.

STATUS:

07/13/2011 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 44

AUTHOR: Corbett [D]
TITLE: Public Utilities: Gas Pipeline Response Standards
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 12/08/2010
LAST AMEND: 07/05/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Requires the Public Utilities Commission to open an appropriate proceeding or expand the scope of an existing proceeding to establish compatible emergency response standards that owners or operators of commission-regulated gas pipeline facilities would be required to follow. Requires owners or operators of certain commission-regulated gas pipeline facilities to implement emergency response plans that are compatible with federal regulations. Requires access to the National Pipeline Mapping System.

STATUS:

07/05/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 216

AUTHOR: Yee [D]
TITLE: Public Utilities: Intrastate Natural Gas Pipeline
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/09/2011

LAST AMEND: 07/05/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Designates the Public Utilities Commission as responsible for regulating intrastate gas pipeline transportation and pipeline facilities, including the development, submission and administration of a state safety program certification for natural gas pipelines. **Requires installation of automatic shut-off or remote controlled sectionalized block valves on certain transmission lines. Requires the owner or operator of certain commission-regulated gas pipeline facilities to provide a valve location plan.**

STATUS:

07/05/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 705

AUTHOR: Leno [D]
TITLE: Natural Gas: Service and Safety
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/05/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Reorganizes and revises existing provisions relative to restructuring of the natural gas industry to **declare that it is the policy of the state to place safety of the public and gas corporation employees as the top priority. Requires the Public Utilities Commission to require that the distribution rate of such corporation include sufficient revenues and employee staffing to provide for prompt provision of service to the public consistent with this policy.** Requires commission actions to carry out the policy.

STATUS:

07/05/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 879

AUTHOR: Padilla [D]
TITLE: Natural Gas Pipelines: Safety
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Requires that in any ratemaking proceeding in which the Public Utilities Commission authorizes a gas corporation to recover expenses for the inspection, maintenance, or repair of transmission pipelines, that the commission require the gas corporation to establish and maintain a balancing account for the recovery of those expenses. Designates the commission as the state authority responsible for regulating and enforcing intrastate gas pipeline transportation including pipeline

safety.
STATUS:

07/12/2011

In ASSEMBLY. Read second time and amended. Re-referred
to Committee on APPROPRIATIONS.

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