
DIGEST

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Adley

SB No. 525

Present law prohibits an intrastate natural gas transporter from abandoning all or any portion of its facilities subject to the jurisdiction of the commissioner of conservation, or any service rendered by means of such facilities, without the permission and approval of the commissioner. The commissioner may approve upon his finding that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the public interest and energy needs permit such abandonment. The commissioner is authorized to deny abandonment based upon satisfactory evidence that a user of gas located in the state, a majority of which users' employees are Louisiana residents, or which user produces goods or services for Louisiana residents, including gas or electric service, is or will be unable to secure adequate supplies of natural gas to maintain employment, production, or service levels if abandonment is granted.

Proposed law defines "interstate natural gas pipeline" as used in proposed law to mean an interstate natural gas pipeline where any portion of such pipeline is geographically located within the state of Louisiana, and when such pipeline portion provides service within the state to one or more local distribution systems that in turn provide service to their customers.

Proposed law provides that on and after March 10, 2014, if the Federal Energy Regulatory Commission (FERC) approves a proposal to abandon an interstate natural gas pipeline, then such pipeline portion within the state shall be considered an intrastate natural gas pipeline and a public utility as of the date of such approval and is subject to the jurisdiction of the Louisiana Public Service Commission (LPSC).

Proposed law requires an applicant who files a proposal with the FERC proposing to abandon an interstate natural gas pipeline subject to the provisions of proposed law to provide written notice and a copy of its application to the LPSC. Further, requires applicant to provide written notice and a copy of any FERC abandonment order upon issuance to the LPSC.

Proposed law provides that after issuance of a FERC order, any abandonment proceeding for such pipeline portion in Louisiana is governed by the applicable rules, regulations, and orders of the LPSC. Provides that no such abandonment is effective until the applicant complies with the LPSC's rules, regulations, and orders, and all other applicable state and federal agency regulations.

Proposed law provides that its provisions are in addition to the requirements of R.S. 30:555.

Proposed law provides that proposed law shall not apply if the owner or operator of the interstate pipeline seeking abandonment has done all of the following:

- (1) Reached a written agreement with the existing customers that provides for the continued availability and supply of natural gas from the interstate pipeline or for the supply and delivery of natural gas from alternative sources.
- (2) Filed the agreement as an uncontested settlement with the Federal Energy Regulatory Commission and the Federal Energy Regulatory Commission has issued a final order approving such uncontested settlement without change and such settlement is no longer subject to appeal.
- (3) Provided a copy of the uncontested settlement agreement and the final order of the Federal Energy Regulatory Commission to the Louisiana Public Service Commission.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 45:302.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the original bill

1. Defines "interstate natural gas pipeline" to mean an interstate natural gas pipeline where any portion of such pipeline is geographically located within the state of Louisiana, and when such pipeline portion provides service within the state to one or more local distribution systems which in turn provide service to its customers.
2. Requires that on and after March 10, 2014, if the FERC approves a proposal to abandon an interstate natural gas pipeline, then such pipeline portion within the state shall be considered an intrastate natural gas pipeline and a public utility as of the date of such approval and shall be subject to the jurisdiction of the LPSC.
3. Requires an applicant filing a proposal with the FERC which seeks to abandon an interstate natural gas pipeline subject to the provisions of proposed law to provide written notice and a copy of its application to the LPSC. Further, requires applicant to provide written notice and a copy of a FERC abandonment order upon approval and issuance to the LPSC.
4. Provides that after issuance of a FERC abandonment order, any abandonment proceeding for such pipeline portion in Louisiana is governed by the applicable rules, regulations, and orders of the LPSC. Provides that no such abandonment is effective until the applicant complies with the LPSC's rules, regulations, and orders, and all other applicable state and federal agency regulations.
5. Provisions of proposed law are in addition to the requirements of R.S. 30:555.
6. Changes effective date to governor's signature.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the reengrossed bill.

1. Provided that proposed law shall not apply if the owner or operator of the interstate pipeline seeking abandonment has done all of the following:
 - (a) Reached a written agreement with the existing customers that provides for the continued availability and supply of natural gas from the interstate pipeline or for the supply and delivery of natural gas from alternative sources.
 - (b) Filed the agreement as an uncontested settlement with the Federal Energy Regulatory Commission and the Federal Energy Regulatory Commission has issued a final order approving such uncontested settlement without change and such settlement is no longer subject to appeal.

(c) Provided a copy of the uncontested settlement agreement and the final order of the Federal Energy Regulatory Commission to the Louisiana Public Service Commission.