

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 525 By Senator Adley**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

UTILITIES. Provides that abandonment of interstate pipeline segments located wholly in Louisiana are considered intrastate pipelines and are to be handled under regulations of the Louisiana Public Service Commission. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Add provision that proposed law not apply if the owner or operator of the interstate pipeline seeking abandonment has done all of the following:
 - (a) Has reached a written agreement with the existing customers providing 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) Has filed this agreement as an uncontested settlement with the Federal Energy Regulatory Commission and the Federal Energy Regulatory Commission has issued a final order approving the uncontested settlement without change and the settlement is no longer subject to appeal.
 - (c) Has provided a copy of the uncontested settlement agreement and the final order of the Federal Energy Regulatory Commission to the Louisiana Public Service Commission.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

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. Authorizes the commissioner to 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. Authorizes the commissioner 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 the 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 (FEC.) approves a proposal to abandon an interstate natural gas pipeline, then the pipeline portion within the state is to be considered an intrastate natural gas pipeline and a public utility as of the date of the approval and is subject to the jurisdiction of the Louisiana Public Service Commission (LPC).

Proposed law requires an applicant who files a proposal with the FEC. 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 LPC. Further, requires applicant to provide written notice and a copy of any FEC. abandonment order upon issuance to the LPC.

Proposed law provides that after issuance of a FEC. order, any abandonment proceeding for such pipeline portion in Louisiana is governed by the applicable rules, regulations, and orders of the LPC. Provides that no abandonment is effective until the applicant complies with the LPC'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 does not apply if the owner or operator of the interstate pipeline seeking abandonment has done all of the following items:

- (1) Reached a written agreement with the existing customers providing 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 this agreement as an uncontested settlement with the Federal Energy Regulatory Commission and the Federal Energy Regulatory Commission has issued a final order approving the uncontested settlement without change and the 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)

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