

Regular Session, 2014

SENATE BILL NO. 525

BY SENATORS ADLEY AND WARD

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

1 AN ACT

2 To enact R.S. 45:302.1, relative to the Louisiana Public Service Commission; to provide
3 with respect to abandonment of interstate pipelines located wholly within the state;
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R. S. 45:302.1 is hereby enacted to read as follows:

7 **§302.1. Powers of the commission; abandonment of certain pipelines**

8 **A. As used in this Section, "interstate natural gas pipeline" means an**
9 **interstate natural gas pipeline where any portion of such pipeline is**
10 **geographically located within the state of Louisiana, and when such pipeline**
11 **portion provides service within the state to one or more local distribution**
12 **systems which in turn provide service to its customers.**

13 **B. On and after March 10, 2014, if the Federal Energy Regulatory**
14 **Commission approves a proposal to abandon an interstate natural gas pipeline,**
15 **then such pipeline portion within the state shall be considered an intrastate**
16 **natural gas pipeline and a public utility as of the date of such approval. As an**
17 **intrastate natural gas pipeline, the pipeline shall be subject to the jurisdiction**

1 **of the Louisiana Public Service Commission.**

2 **C. An applicant filing a proposal with the Federal Energy Regulatory**
 3 **Commission seeking abandonment of an interstate natural gas pipeline that is**
 4 **subject to the provisions of this Section shall provide written notice and a copy**
 5 **of the application to the Louisiana Public Service Commission. Upon the**
 6 **approval and issuance of an abandonment order by the Federal Energy**
 7 **Regulatory Commission, the applicant shall provide written notice and a copy**
 8 **of such order to the Louisiana Public Service Commission.**

9 **D. Thereafter, any abandonment proceeding for such pipeline portion**
 10 **in Louisiana shall be governed pursuant to applicable rules, regulations, and**
 11 **orders of the Louisiana Public Service Commission. No such abandonment**
 12 **shall be deemed effective until the applicant has complied with the Louisiana**
 13 **Public Service Commission's rules, regulations, and orders, and all other**
 14 **applicable state and federal agency regulations.**

15 **E. The provisions of this Section shall be in addition to the requirements**
 16 **of R.S. 30:555.**

17 Section 2. This Act shall become effective upon signature by the governor or, if not
 18 signed by the governor, upon expiration of the time for bills to become law without signature
 19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 20 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 21 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Sharon F. Lyles.

DIGEST

Adley (SB 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 which in turn provide service to its 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.

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.