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## SENATE BILL NO. 987

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Commerce and Labor  
on January 24, 2005)

(Patron Prior to Substitute—Senator Watkins)

A BILL to amend and reenact § 56-257.2 of the Code of Virginia and to repeal §§ 56-5.1 and 56-257.3 of the Code of Virginia, relating to gas pipeline safety; regulation by State Corporation Commission.

**Be it enacted by the General Assembly of Virginia:**

**1. That § 56-257.2 of the Code of Virginia is amended and reenacted as follows:**

§ 56-257.2. Gas pipeline safety.

A. Notwithstanding any other provision of law, the Commission shall have the authority to regulate the safety of natural gas facilities comprising a master-metered gas system systems, landfill gas transmission or distribution facilities transmitting or distributing landfill gas off premises from a solid waste management facility permitted by the Department of Environmental Quality, and other gas pipeline facilities used in intrastate pipeline transportation, all as defined by in the federal regulations promulgated under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. § 60101 et seq.), as amended, and not served by any natural gas distribution system owned and operated by any county, city or town. The Commission may enforce the authority conferred herein pursuant to § 56-5.1 and shall have authority to adopt such rules and regulations as are necessary to promote pipeline safety in the Commonwealth consistent with the Natural Gas Pipeline Safety Act of 1968 the federal pipeline safety laws, owned or operated by any person, limited liability company, business entity or association of individuals. The authority granted herein shall be exercised in a manner that is not inconsistent with the above-referenced federal regulations and pipeline safety laws.

This subsection shall not apply to gas systems and pipeline facilities owned or operated by any city, county, or town.

B. For the purposes of pipeline facilities used in the intrastate transportation of gas, all as defined in the federal regulations promulgated under 49 U.S.C. § 60101 et seq., as amended, and the federal pipeline safety laws, and notwithstanding any other provision of law, any person, limited liability company, business entity or association of individuals failing or refusing to obey Commission orders relating to the adoption or enforcement of regulations for the design, construction, operation, and maintenance of intrastate pipeline facilities and temporary or permanent injunctions issued by the Commission shall be fined such sums not exceeding the fines and penalties specified by 49 U.S.C. § 60122 (a) (1), as amended. Should the operation of such order be suspended pending an appeal, the period of such suspension shall not be computed against the person in the matter of his liability to fines or penalties. The authority granted herein shall be exercised in a manner that is not inconsistent with the above-referenced federal regulations and pipeline safety laws.

This subsection shall not apply to gas systems and pipeline facilities owned or operated by any city, county, or town.

C. With respect to the gas systems and pipeline facilities owned or operated by any city, county, or town, the Commission is authorized to act for the United States Secretary of Transportation to conduct safety inspections pursuant to the federal pipeline safety laws, 49 U.S.C. § 60101 et seq., to the extent authorized by certification or agreement with the Secretary under 49 U.S.C. § 60106 of the federal pipeline safety laws, 49 U.S.C. § 60101, et seq., as amended. After each inspection, an exit interview with any county, city or town shall be conducted prior to promptly reporting to the United States Department of Transportation. This subsection shall not authorize the Commission to impose civil penalties or fines on any county, city, or town and shall not authorize the Commission to exercise jurisdiction over the rates, charges, services, facilities, or service territory of any county, city, or town providing gas service except as is otherwise provided by law.

**2. That §§ 56-5.1 and 56-257.3 of the Code of Virginia are repealed.**

SENATE SUBSTITUTE

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