



PA 22-20—SB 94

Energy and Technology Committee

AN ACT CONCERNING CERTAIN MODIFICATIONS TO GAS PIPELINE PROCESSES

SUMMARY: This act expands the Public Utilities Regulatory Authority’s (PURA) authority over certain gas transportation entities (e.g., propane systems and municipal gas distribution systems). Among other things, it does the following:

1. gives PURA access to these entities’ facilities,
2. brings them under PURA’s investigatory powers,
3. provides whistleblower protections to their employees,
4. allows PURA to order them to make certain improvements or repairs,
5. requires them to notify PURA about certain accidents, and
6. allows PURA to impose certain penalties on them.

The act aligns PURA’s authority over gas transportation entities with applicable federal standards by (1) explicitly citing the federal regulations that the state adopts as its safety standards for pipeline facilities and the transportation of gas and (2) capping the maximum state penalties at the maximum amount allowed under federal regulations rather than federal law.

It also establishes a process by which the PURA commissioners can stop the work on a project covered by the “Call Before You Dig” laws if there is an immediate, life-threatening hazard resulting from a willful violation.

Lastly, the act repeals obsolete and duplicative laws that generally require gas utility companies to submit a biennial report to PURA on their underground facilities (§§ 12-13).

EFFECTIVE DATE: October 1, 2022

§§ 1-6 & 10 — PURA JURISDICTION OVER GAS TRANSPORTATION

The law gives PURA jurisdiction over public services companies, which include investor-owned natural gas distribution companies (e.g., Eversource). The act extends certain elements of this jurisdiction to “persons involved in the transportation of gas,” which, under the act, include a wider array of gas transporting entities, such as municipal gas distribution systems and propane systems.

Under the act:

1. “persons” are any individual, firm, joint venture, partnership, corporation, limited liability company, association, municipality, or cooperative association, including any of their trustees, receivers, assignees, or personal representatives;
2. “gas” is natural gas, flammable gas, or toxic or corrosive gas; and
3. “transportation of gas” is the gathering, transmission, or distribution of gas

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by pipeline or its storage.

PURA Access to Facilities (§ 1)

The law allows PURA or its designees to access a public utility company's or retail electric supplier's premises, buildings, cars, or other places that it owns or controls. The act expands this access to also cover the company's or supplier's "plants." By law a company's "plants" include all real estate, buildings, tracks, pipes, mains, poles, wires, and other fixed or stationary construction and equipment, wherever located, used in the conduct of the company's business (CGS § 16-1). The act similarly gives PURA access to the premises, buildings, plants, cars, and other places owned or controlled by persons involved in the transportation of gas.

The act also increases the maximum fine that may be imposed on someone who obstructs or hinders PURA's access from \$200 to \$10,000. Under existing law, unchanged by the act, the offender may be imprisoned up to six months or both fined and imprisoned.

Investigatory Powers (§ 2)

The law allows PURA to summon witnesses and require the production of various documents related to a public service company's affairs. The act expands this authority to also cover the affairs of persons involved in the transportation of gas.

The act similarly expands PURA's authority to have management audits performed on the operating procedures or other internal workings of a person involved in the transportation of gas, including the relationship between the person and a related holding company or subsidiary. Existing law already gives PURA this authority over public service companies, and the act extends the same procedural requirements and criteria to audits of a person involved in the transportation of gas.

As under the existing law for auditing public service companies, if the audit finds that the operating procedures or internal workings of the person involved in the transportation of gas are inefficient, improvident, unreasonable, negligent, or in abuse of discretion, PURA may order the person to adopt new or altered practices and procedures.

Whistleblower Protections (§ 3)

The act extends PURA's whistleblower protections to employees of (1) persons involved in the transportation of gas and (2) entities that directly or indirectly provide goods to people involved in the transportation of gas. In doing so, it does the following, among other things:

1. prohibits these employers from taking any retaliatory actions against their employees for disclosing the substantial malfeasance of a person involved in the transportation of gas;
2. allows their employees to inform PURA about any prohibited retaliatory

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- actions or malfeasance in management;
3. allows PURA to investigate and issue orders, impose civil penalties, award attorney's fees, and order payment for back pay;
 4. voids any agreement between the employees and employers if it discourages the employee from presenting a written complaint or testifying about the malfeasance; and
 5. requires a notice to be posted in these employees' workplaces, in accordance with PURA's regulations, informing them about the whistleblower protections.

PURA Authority to Order Improvements (§ 4)

The law generally requires PURA to keep fully informed about the conditions of a public service company's plant, equipment, and operations, in respect to its adequacy, suitability, and safety. It also authorizes PURA to order a company to make reasonable improvements, repairs, or alterations in its plants, equipment, or operations that may be reasonably necessary for the public interest.

The act extends this requirement and authority to include persons involved in the transportation of gas.

Accident Reporting (§ 5)

As the law already requires for public service companies and retail electric suppliers, the act requires persons involved in the transportations of gas to notify PURA, as soon as reasonably possible, about any accident, other than a minor accident, that (1) was, or may have been, connected with or due to the operation of their property and (2) involved personal injuries or public safety. If the notice is given in a nonwritten form, it must be confirmed in writing within five days after the accident. The persons involved in the transportation of gas must also submit a monthly written report on minor accidents to PURA. Failure to comply with these requirements is subject to a fine of up to \$500 per offense.

Enforcement (§ 6)

By law, PURA-regulated entities must obey, observe, and comply with all applicable provisions of the laws for public service companies and PURA's applicable regulations and orders. The law specifies the process for notifying alleged violators and giving them the opportunity for a hearing on the matter. It requires violators to be penalized by PURA's order under the applicable statutory penalty or, if no penalty is prescribed, with a fine of up to \$10,000, restitution, or a combination of both for each offense. The act expands these provisions to also cover persons involved with the transportation of gas.

It also specifies that the maximum civil penalty PURA may impose is the maximum allowed by law, not the penalty stated in the notice of violation (as prior law specified).

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Stop-Work Orders (§ 10)

The act authorizes PURA's commissioners to order any work performed by a person involved in the transportation of gas to stop immediately if the work may endanger someone.

§§ 7-9 — FEDERAL STANDARDS & PURA REGULATIONS

PURA Waivers (§ 7)

Existing state law requires persons involved in the transportation of gas or the maintenance of gas pipelines to follow federal safety standards, but it also generally allows PURA to adopt regulations that are more specific than the federal standards under certain circumstances. The law also generally allows PURA to waive the federal standards in individual cases when warranted by local circumstances or conditions. The act allows PURA to also do this for the regulations it adopts.

Federal Standards (§ 8)

Prior law adopted the federal safety standards applicable to pipeline facilities and the transportation of gas. The act limits their application to the transportation of gas and explicitly cites the applicable federal regulations for these standards (49 C.F.R. §§ 191-193 & 199).

Penalties (§ 9)

Under prior law, violators of the federal law or regulations on natural gas pipeline safety (49 U.S.C. Chapter 601) or state law or regulations on natural gas pipelines were subject to a civil penalty up to the maximum allowed under the federal law. The act instead allows the penalty to be up to the higher of the maximum allowed under (1) the federal law or (2) federal regulations on pipeline safety (49 C.F.R. § 190.223(a)).

§ 11 — CALL BEFORE YOU DIG STOP-WORK ORDERS

Existing law requires companies and individuals engaging in excavation, discharge of explosions, or demolition projects to comply with certain safety-related requirements (i.e., the "Call Before You Dig" laws).

Under the act, if there is an immediate, life-threatening hazard resulting from a willful violation of the Call Before You Dig laws or their related regulations, PURA's commissioners must immediately notify the entity responsible for the project about the hazard and violation. Upon receiving the notification, the responsible entity must promptly abate the hazard and violation. If it does not do so in a reasonable time frame, the act authorizes the commissioners to stop the project immediately until the hazard and violation have been abated.