Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-0327.01 Sarah Lozano x3858

HOUSE BILL 24-1357

HOUSE SPONSORSHIP

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Priola,

House Committees

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Energy & Environment Finance

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A BILL FOR AN ACT

CONCERNING MEASURES TO PROMOTE SAFETY IN THE DISTRIBUTION OF NATURAL GAS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Current law requires the pipeline safety rules of the public utilities commission (commission) to address the mapping of all pipelines within the commission's jurisdiction. The bill clarifies current law by requiring the commission's mapping requirements for all pipelines within its jurisdiction to be available at a scale of 1 to 6,000 or greater.

On or before December 31, 2024, the commission must adopt rules

that require:

- An owner or operator of a transmission line, a distribution system, or a gathering line to use advanced leak detection technology in accordance with certain requirements;
- An owner or operator of a transmission line, a distribution system, or a gathering line or an investor-owned natural gas utility (owner or operator) to repair grade 1 gas leaks immediately upon detection, grade 2 gas leaks no later than 60 days after detection, and grade 3 gas leaks no later than one year after detection; and
- That all pipeline road and railroad crossings are inspected with advanced leak detection technology on a monthly basis for damage caused from traffic.

The bill also requires a section of pipeline that has not been used for 2 or more years to be removed or abandoned in place. An owner or operator may abandon a section of pipeline in place only in certain circumstances. If an owner or operator intends to remove a section of pipeline or abandon a section of pipeline in place, the owner or operator must notify the commission no less than 30 days before the owner or operator commences the removal or abandonment in place. The commission may review a notice of abandonment in place to determine whether the proposed abandonment in place is less impactful than removal.

The bill also requires the commission to develop a user-friendly, public-facing website (website) for pipeline safety data in the state. The website must include the location, date, and owner or operator for the following data:

- Reportable safety events;
- Violations;
- Compliance actions;
- Pipeline inspection data; and
- How to access the mapping of pipelines within the commission's jurisdiction.

Current law provides that any person that violates certain pipeline safety laws is subject to a penalty of up to \$200,000 dollars per violation. The bill changes this maximum penalty to \$500,000 per violation. The amount of the penalty must also be no less than \$5,000 for each day of a violation and, in the event that the commission deems that the penalty is necessary for the protection of public health, safety, welfare, the environment, or wildlife resources, no less than \$15,000 per day of a violation. Beginning in 2026, the commission is required to adjust the penalty amounts for inflation every 2 years.

Current law allows the commission to reduce penalties based on certain metrics and factors (factors). The bill changes current law to allow the commission to also increase penalties based on the factors and adds

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additional factors that the commission must consider. Except with respect to an owner or operator of a distribution system serving fewer than 1,000 customers in the state, the commission is prohibited from reducing a penalty based on the factors by more than 15% and the violator is required to conduct certain compliance actions before a reduction occurs.

1 Be it enacted by the General Assembly of the State of Colorado: 2 3 **SECTION 1.** In Colorado Revised Statutes, 40-2-115, amend 4 (1)(d)(II)(E), (2) introductory portion, and (2)(f); and add (1)(d.5), 5 (2)(d.2), (2)(d.3), (2)(d.5), (2)(d.7), and (2)(i.5) as follows: 6 40-2-115. Cooperation with other states and with the United 7 States - natural gas pipeline safety - customer-owned service line 8 maintenance and repairs notice of responsibility - rules - definitions. (1) (d) (II) The commission's gas pipeline safety rules must address and 9 10 may be more stringent than required by federal standards with regard to: 11 (E) SUBJECT TO SUBSECTION (1)(d.5)(I) OF THIS SECTION, use of 12 advanced leak detection technology to meet the need for pipeline safety 13 and protection of the environment; 14 (d.5) ON OR BEFORE SEPTEMBER 1, 2025, THE COMMISSION SHALL 15 ADOPT RULES THAT: 16 (I) REQUIRE AN OWNER OR OPERATOR OF A TRANSMISSION LINE, 17 GATHERING LINE, OR DISTRIBUTION SYSTEM TO SUBMIT A WRITTEN 18 ADVANCED LEAK DETECTION PROGRAM TO THE COMMISSION. THE RULES 19 ADOPTED PURSUANT TO THIS SUBSECTION (1)(d.5)(I) MUST CONTAIN 20 MINIMUM REQUIREMENTS FOR THE PROGRAMS, INCLUDING THE 21 FOLLOWING: 22 (A) USE OF COMMERCIALLY AVAILABLE LEAK DETECTION 23 EQUIPMENT AND TECHNOLOGY, INCLUDING AERIAL SCREENING, HANDHELD

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| 1 | LEAK DETECTION, AND MOBILE SURVEYS; |
|----|---|
| 2 | (B) DETECTION SENSITIVITY LEVELS FOR EACH TECHNOLOGY OR |
| 3 | EQUIPMENT; |
| 4 | (C) FREQUENCY OF LEAK SURVEYS; |
| 5 | (D) LEAK DETECTION PROCEDURES; |
| 6 | (E) PROGRAM EVALUATION; AND |
| 7 | (F) LEAK SURVEY REQUIREMENTS FOR TRANSMISSION LINES, |
| 8 | GATHERING LINES, OR DISTRIBUTION SYSTEMS ROAD AND RAILROAD |
| 9 | CROSSINGS; |
| 10 | (II) REQUIRE ANY OWNER OR OPERATOR OF A GATHERING LINE TO: |
| 11 | (A) ESTABLISH A DAMAGE PREVENTION PROGRAM IN ACCORDANCE |
| 12 | WITH 49 CFR 192.614; |
| 13 | (B) DEVELOP AN EMERGENCY PLAN IN ACCORDANCE WITH 49 CFR |
| 14 | 192.615; |
| 15 | (C) DEVELOP A PUBLIC AWARENESS PROGRAM IN ACCORDANCE |
| 16 | WITH 49 CFR 192.616; AND |
| 17 | (D) DEVELOP LEAKAGE SURVEYS IN ACCORDANCE WITH 49 CFR |
| 18 | 192.706; |
| 19 | (III) REQUIRE AN OWNER OR OPERATOR TO REPAIR LEAKS IN THE |
| 20 | FOLLOWING MANNER: |
| 21 | (A) A GRADE 1 GAS LEAK MUST BE REPAIRED IMMEDIATELY UPON |
| 22 | DETECTION; |
| 23 | (B) A GRADE 2 GAS LEAK OF A GATHERING LINE MUST BE REPAIRED |
| 24 | NO LATER THAN SIXTY DAYS AFTER DETECTION; |
| 25 | (C) A GRADE 2 GAS LEAK OF A TRANSMISSION LINE OR A |
| 26 | DISTRIBUTION SYSTEM MUST BE REPAIRED NO LATER THAN SIX MONTHS |
| 27 | AFTER DETECTION; |

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| 1 | (D) A GRADE 3 GAS LEAK OF A GATHERING LINE MUST BE REPAIRED |
|----|---|
| 2 | NO LATER THAN ONE YEAR AFTER DETECTION; AND |
| 3 | (E) A GRADE 3 GAS LEAK OF A TRANSMISSION LINE OR A |
| 4 | DISTRIBUTION SYSTEM MUST BE REPAIRED NO LATER THAN TWO YEARS |
| 5 | AFTER DETECTION; AND |
| 6 | (IV) ESTABLISH REMOVAL OR ABANDONMENT IN PLACE |
| 7 | REQUIREMENTS FOR ANY SECTION OF TRANSMISSION LINE, GATHERING |
| 8 | LINE, OR TRANSMISSION SYSTEM THAT HAS NOT BEEN USED FOR TWO OR |
| 9 | MORE YEARS. THE RULES ADOPTED PURSUANT TO THIS SUBSECTION |
| 10 | (1)(d.5)(IV) must consider the location of the transmission line, |
| 11 | GATHERING LINE, OR TRANSMISSION SYSTEM; THE TRANSMISSION LINE'S, |
| 12 | GATHERING LINE'S, OR TRANSMISSION SYSTEM'S PROXIMITY TO SENSITIVE |
| 13 | HABITAT, NATURAL RESOURCES, AND PUBLIC ROADS AND FACILITIES; |
| 14 | LOCAL GOVERNMENT INPUT; AND THE IMPACTS OF REMOVAL TO PUBLIC |
| 15 | HEALTH, SAFETY, WELFARE, THE ENVIRONMENT, AND WILDLIFE |
| 16 | RESOURCES. |
| 17 | (2) As used in this section AND IN SECTION 40-2-115.5, unless the |
| 18 | context otherwise requires, or as otherwise defined in commission rules: |
| 19 | (d.2) "GATHERING LINE" MEANS A TYPE A, TYPE B, TYPE C, OR |
| 20 | $\label{eq:typer} \textbf{R} \textbf{GATHERING PIPELINE}, \textbf{REGARDLESS OF DIAMETER}, \textbf{AS DETERMINED}$ |
| 21 | PURSUANT TO 49 CFR 192.8, AS AMENDED. |
| 22 | (d.3) "GRADE 1 GAS LEAK" MEANS A LEAK THAT REPRESENTS AN |
| 23 | EXISTING OR PROBABLE HAZARD TO PERSONS OR PROPERTY AND THAT |
| 24 | REQUIRES IMMEDIATE REPAIR OR CONTINUOUS ACTION UNTIL THE |
| 25 | CONDITIONS ARE NO LONGER HAZARDOUS. |
| 26 | (d.5) "GRADE 2 GAS LEAK" MEANS A LEAK THAT IS RECOGNIZED AS |
| 27 | BEING NONHAZARDOUS AT THE TIME OF DETECTION BUT JUSTIFIES |

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| 1 | SCHEDULED REPAIR BASED ON PROBABLE FUTURE HAZARD. |
|-----|---|
| 2 | (d.7) "GRADE 3 GAS LEAK" MEANS A LEAK THAT IS |
| 3 | NONHAZARDOUS AT THE TIME OF DETECTION AND CAN BE REASONABLY |
| 4 | EXPECTED TO REMAIN NONHAZARDOUS. |
| 5 | (f) "Owner or operator" means an owner or operator of a |
| 6 | distribution system, GATHERING LINE, OR TRANSMISSION LINE or an |
| 7 | investor-owned natural gas utility. |
| 8 | (i.5) "Transmission line" has the meaning set forth in 49 |
| 9 | CFR 192.3, AS AMENDED. |
| 10 | SECTION 2. In Colorado Revised Statutes, add 40-2-115.5 as |
| 11 | follows: |
| 12 | 40-2-115.5. Pipeline safety - website for reporting |
| 13 | procedures - definitions. (1) (a) AS SOON AS PRACTICABLE, BUT NO |
| 14 | LATER THAN JANUARY 31, 2026, THE COMMISSION SHALL DEVELOP A |
| 15 | WEBSITE TO PROVIDE THE PUBLIC WITH ACCESS TO INFORMATION |
| 16 | REGARDING THE LOCATION, DATE, AND OWNER OR OPERATOR OF THE |
| 17 | APPLICABLE PIPELINE FOR THE FOLLOWING PIPELINE SAFETY DATA: |
| 18 | (I) COMPLAINTS REGARDING PIPELINES OR PIPELINE OWNERS OR |
| 19 | OPERATORS AND HOW EACH COMPLAINT IS ADDRESSED BY THE |
| 20 | COMMISSION; |
| 21 | (II) REPORTABLE SAFETY EVENTS AND THE COMMISSION'S |
| 22 | RESPONSE TO EACH EVENT; |
| 23 | (III) GAS LEAK INFORMATION, INCLUDING: |
| 24 | (A) WHETHER THE LEAK IS A GRADE 1 GAS LEAK, A GRADE 2 GAS |
| 25 | LEAK, OR A GRADE 3 GAS LEAK; |
| 26 | (B) THE APPROXIMATE DATE, CAUSE, AND LOCATION OF EACH |
| 2.7 | I FAK: |

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| 1 | (C) THE TYPE OF PIPE OR FACILITY THAT CAUSED THE LEAK; |
|----|--|
| 2 | (D) ANY METHOD USED TO DETECT THE LEAK; |
| 3 | (E) THE VOLUME OF GAS LEAKED, MEASURED IN CARBON DIOXIDE |
| 4 | EQUIVALENT AND CUBIC FEET; EXCEPT THAT, IF AN OWNER OR OPERATOR |
| 5 | CANNOT IDENTIFY AN EXACT VOLUME OF GAS LEAKED, THE OWNER OR |
| 6 | OPERATOR MUST PROVIDE THE OWNER'S OR OPERATOR'S BEST |
| 7 | APPROXIMATION; AND |
| 8 | (F) THE DATE THE LEAK IS REPAIRED; |
| 9 | (IV) Information related to violations, including: |
| 10 | (A) THE NATURE OF A VIOLATION; AND |
| 11 | (B) THE LEVEL OF NONCOMPLIANCE; |
| 12 | (V) Information related to compliance actions, including: |
| 13 | (A) NOTICES OF POSSIBLE VIOLATIONS ISSUED AND ORDERS |
| 14 | ENTERED FOR VIOLATIONS; |
| 15 | (B) PENALTIES ASSESSED AND, OF THE PENALTIES ASSESSED, THE |
| 16 | NUMBER OF PENALTIES THAT WERE NEGOTIATED AND THE NUMBER OF |
| 17 | PENALTIES THAT HAVE BEEN PAID; AND |
| 18 | (C) PERTINENT DATES OF PROCESS, INCLUDING HEARING DATES |
| 19 | AND DATES OF RESOLUTION; |
| 20 | (VI) INSPECTION RECORDS, INCLUDING THE INSPECTION DATES, |
| 21 | LOCATION AND TYPE OF FACILITY INSPECTED, OPERATOR AND INSPECTION |
| 22 | UNIT, NAMES AND TITLES OF STAFF OF AN OWNER OR OPERATOR |
| 23 | CONTACTED AT THE INSPECTION UNIT, REGULATION SECTIONS CHECKED |
| 24 | FOR COMPLIANCE, AND RESULTING EVALUATION CONCLUSIONS; AND |
| 25 | (VII) INSTRUCTIONS ON HOW TO ACCESS THE MAPPING OF |
| 26 | PIPELINES WITHIN THE COMMISSION'S JURISDICTION ESTABLISHED IN |
| 27 | ACCORDANCE WITH SECTION $40.2-115$ (1)(d)(II)(C) |

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| 1 | (b) A MEMBER OF THE PUBLIC MUST BE ABLE TO USE THE WEBSITE |
|----|--|
| 2 | TO SEARCH FOR A PIPELINE EVENT, INCIDENT, SPILL, LEAK, OR RELEASE BY |
| 3 | SEARCHING FOR A LOCATION OR OWNER OR OPERATOR. |
| 4 | (c) (I) THE OFFICE OF INFORMATION TECHNOLOGY CREATED IN |
| 5 | SECTION 24-37.5-103 MAY PROVIDE THE COMMISSION TECHNICAL |
| 6 | ASSISTANCE TO HELP FACILITATE THE DESIGN AND FUNCTIONALITY, |
| 7 | INCLUDING THE SEARCH INTERFACE DESIGN AND FUNCTIONALITY, OF THE |
| 8 | WEBSITE. |
| 9 | (II) (A) NOTWITHSTANDING THE "PROCUREMENT CODE", |
| 10 | ARTICLES 101 TO 112 OF TITLE 24, TO PREPARE THE WEBSITE, THE |
| 11 | COMMISSION MAY ENGAGE THE SERVICES OF CONTRACTORS; LEGAL |
| 12 | COUNSEL; CONSULTANTS, INCLUDING CONSULTANTS WITH EXPERTISE IN |
| 13 | PIPELINE SAFETY; INSTITUTIONS OF HIGHER EDUCATION; PUBLIC RESEARCH |
| 14 | LABORATORIES; PRIVATE RESEARCH INSTITUTIONS; AND THE ATTORNEY |
| 15 | GENERAL'S OFFICE FOR PROFESSIONAL AND TECHNICAL ASSISTANCE, |
| 16 | ADVICE, AND OTHER GOODS AND SERVICES, INCLUDING INFORMATION |
| 17 | TECHNOLOGY SERVICES. |
| 18 | (B) THE COMMISSION SHALL ENCOURAGE DIVERSITY IN |
| 19 | APPLICANTS FOR CONTRACTS PURSUANT TO SUBSECTION $(1)(c)(II)(A)$ of |
| 20 | THIS SECTION AND AVOID USING SINGLE-SOURCE BIDS. |
| 21 | (d) THE COMMISSION SHALL DEVELOP THE WEBSITE TO PROVIDE |
| 22 | INFORMATION IN ENGLISH, SPANISH, AND ANY OTHER BROADLY SPOKEN |
| 23 | LANGUAGES IN THE STATE AS DETERMINED BY THE COMMISSION BY RULE. |
| 24 | (2) (a) As used in this section: |
| 25 | (I) "REPORTABLE SAFETY EVENT" MEANS: |
| 26 | (A) AN EVENT THAT INVOLVES: A GRADE 1 GAS LEAK, A GRADE 2 |
| 27 | GAS LEAK, OR A RELEASE OF GAS FROM A PIPELINE OR AN UNDERGROUND |

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| 1 | NATURAL GAS STORAGE FACILITY AS DEFINED IN SECTION 34-64-102; |
|----|---|
| 2 | LIQUEFIED NATURAL GAS; LIQUEFIED PETROLEUM GAS; REFRIGERANT GAS; |
| 3 | OR GAS FROM A LIQUEFIED NATURAL GAS FACILITY; |
| 4 | (B) A SPILL, RELEASE, OR UNAUTHORIZED DISCHARGE OF |
| 5 | PETROLEUM PRODUCTS, EXPLORATION AND PRODUCTION WASTES, OR |
| 6 | HAZARDOUS CHEMICALS GREATER THAN ONE BARREL; |
| 7 | (C) AN ACCIDENTAL FIRE, EXPLOSION, DETONATION, |
| 8 | UNCONTROLLED RELEASE OF PRESSURE, OR LOSS OF PRESSURE CONTROL; |
| 9 | VANDALISM OR TERRORIST ACTIVITY; OR ANY ACCIDENTAL OR NATURAL |
| 10 | EVENT THAT DAMAGES EQUIPMENT OR OTHERWISE ALTERS AN OIL AND |
| 11 | GAS FACILITY SO AS TO CREATE A SIGNIFICANT SPILL OR RELEASE, A FIRE |
| 12 | HAZARD, UNINTENTIONAL PUBLIC ACCESS, OR ANY OTHER CONDITION |
| 13 | THAT THREATENS PUBLIC SAFETY; |
| 14 | (D) AN ACCIDENT OR NATURAL EVENT AT AN OIL AND GAS |
| 15 | FACILITY THAT RESULTS IN A REPORTABLE INJURY AS DESCRIBED IN 29 |
| 16 | CFR 1904.39, NOT INCLUDING ANY AMENDMENTS ADOPTED AFTER 2021; |
| 17 | (E) AN EVENT THAT RESULTS IN AN EMERGENCY SHUTDOWN OF A |
| 18 | LIQUEFIED NATURAL GAS FACILITY OR AN UNDERGROUND NATURAL GAS |
| 19 | STORAGE FACILITY AS DEFINED IN SECTION 34-64-102. ACTIVATION OF AN |
| 20 | EMERGENCY SHUTDOWN SYSTEM FOR REASONS OTHER THAN AN ACTUAL |
| 21 | EMERGENCY WITHIN THE FACILITY DOES NOT CONSTITUTE AN INCIDENT. |
| 22 | (F) AN ACCIDENT OR NATURAL EVENT AT A PIPELINE THAT |
| 23 | RESULTS IN AN INJURY TO A MEMBER OF THE GENERAL PUBLIC THAT |
| 24 | REQUIRES MEDICAL TREATMENT OR DAMAGE TO LANDS, STRUCTURES, OR |
| 25 | PROPERTY IN AN AMOUNT GREATER THAN FIFTEEN THOUSAND DOLLARS; |
| 26 | (G) A DEVIATION FROM NORMAL OPERATION, A STRUCTURAL |
| 27 | FAILURE OR SEVERE ENVIRONMENTAL CONDITIONS THAT DROBARLY |

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| 1 | WOULD CAUSE HARM TO PEOPLE OR PROPERTY; OR |
|----|---|
| 2 | (H) AN EVENT THAT IS SIGNIFICANT IN THE JUDGMENT OF THE |
| 3 | OWNER OR OPERATOR, EVEN THOUGH IT DID NOT MEET THE CRITERIA OF |
| 4 | SUBSECTION $(2)(a)(I)(A)$, $(2)(a)(I)(B)$, or $(2)(a)(I)(C)$ of this section. |
| 5 | (II) "WEBSITE" MEANS A PUBLIC-FACING, INTERACTIVE, |
| 6 | SEARCHABLE, ELECTRONIC INFORMATION DELIVERY SYSTEM THROUGH |
| 7 | WHICH ELECTRONIC INFORMATION IS PROVIDED TO THE USER VIA THE |
| 8 | INTERNET. |
| 9 | (b) Definitions in Section 40-2-115 apply to terms as they |
| 10 | ARE USED IN THIS SECTION. |
| 11 | SECTION 3. In Colorado Revised Statutes, 40-7-117, amend (1), |
| 12 | (2), and (3); and add (2.5) and (5) as follows: |
| 13 | 40-7-117. Gas pipeline safety rules - civil penalty for violations |
| 14 | - other remedies - definition. (1) (a) Any person violating any rule |
| 15 | adopted or order issued by the commission pursuant to the authority |
| 16 | granted in section 40-2-115 (1)(c), (1)(d), or (1)(d.5), OR (1)(e) is subject |
| 17 | to a civil penalty of up to two FIVE hundred thousand dollars per |
| 18 | violation; except that, in the case of a group or series of related violations, |
| 19 | the aggregate amount of such penalties shall MUST not exceed two million |
| 20 | dollars. Each day of a continuing violation constitutes a separate |
| 21 | violation. The amount of a penalty must be no less than five |
| 22 | THOUSAND DOLLARS FOR EACH DAY OF A VIOLATION AND, IN THE EVENT |
| 23 | THAT THE COMMISSION DEEMS THE PENALTY TO BE NECESSARY FOR THE |
| 24 | PROTECTION OF PUBLIC HEALTH, SAFETY, WELFARE, THE ENVIRONMENT, |
| 25 | OR WILDLIFE RESOURCES, NO LESS THAN FIFTEEN THOUSAND DOLLARS FOR |
| 26 | EACH DAY OF A VIOLATION. |
| 27 | (b) Beginning in 2026, the commission shall adjust the |

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| 1 | PENALTY AMOUNTS DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION BY |
|----|---|
| 2 | RULE EVERY TWO YEARS FOR INFLATION BY THE ANNUAL PERCENTAGE |
| 3 | CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF |
| 4 | LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR |
| 5 | Denver-Aurora-Lakewood for all items paid by urban |
| 6 | CONSUMERS. |
| 7 | (2) Subject to subsection (2.5) of this section, any civil |
| 8 | penalty authorized by this section may be reduced OR INCREASED by the |
| 9 | commission based on consideration of objective metrics and factors set |
| 10 | forth in rules. The metrics and factors must include: |
| 11 | (a) An evaluation of the severity of the violation, in terms of its |
| 12 | actual or potential effect on public HEALTH, safety, WELFARE, THE |
| 13 | ENVIRONMENT, WILDLIFE RESOURCES, or pipeline system integrity; |
| 14 | (b) The extent to which the violation and any underlying |
| 15 | conditions that may have contributed to the likelihood or severity of the |
| 16 | violation have been remedied; and |
| 17 | (c) WHETHER THE VIOLATION IS SELF-REPORTED; |
| 18 | (d) Whether the owner or operator acted with gross |
| 19 | NEGLIGENCE OR KNOWING AND WILLFUL MISCONDUCT; |
| 20 | (e) Whether the owner or operator falsified reports or |
| 21 | RECORDS; |
| 22 | (f) Whether the owner or operator benefitted |
| 23 | ECONOMICALLY FROM THE VIOLATION, WHICH ECONOMIC BENEFIT MUST |
| 24 | BE TAKEN INTO CONSIDERATION; AND |
| 25 | (c) (g) IN THE CASE OF A VIOLATION BY A SMALL OWNER OR |
| 26 | OPERATOR, the extent to which the violator SMALL OWNER OR OPERATOR |
| 27 | agrees to spend, in lieu of payment of part of the civil penalty, a specified |

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| 1 | dollar amount on commission-approved measures to reduce the overall |
|----|---|
| 2 | risk to pipeline system safety or integrity; except that the amount of the |
| 3 | penalty payable to the commission shall MUST be no less than five |
| 4 | thousand dollars. |
| 5 | (2.5) EXCEPT AS SET FORTH IN SUBSECTION (2)(g) OF THIS |
| 6 | SECTION, THE COMMISSION SHALL NOT REDUCE A PENALTY ASSESSED |
| 7 | PURSUANT TO SUBSECTION (2) OF THIS SECTION BY MORE THAN FIFTEEN |
| 8 | PERCENT, WHICH REDUCTION SHALL NOT BE APPLIED UNTIL: |
| 9 | (a) THE OWNER OR OPERATOR HAS COMPLETED ANY REQUIRED |
| 10 | MITIGATION OR REMEDIATION ACTIONS RELATED TO THE VIOLATION; |
| 11 | (b) THE OWNER OR OPERATOR IS IN COMPLIANCE WITH ALL |
| 12 | APPLICABLE INSPECTION AND DOCUMENTATION REQUIREMENTS; AND |
| 13 | (c) A COMMISSION INSPECTOR HAS CONFIRMED THAT THE ACTIONS |
| 14 | AND COMPLIANCE DESCRIBED IN SUBSECTIONS (2.5)(a) AND (2.5)(b) OF |
| 15 | THIS SECTION HAVE OCCURRED. |
| 16 | (3) If a violator does not remit the assessed penalty or the lesser |
| 17 | amount agreed upon pursuant to subsection (2) SUBSECTIONS (2) AND |
| 18 | (2.5) of this section, the commission may recover the amount due plus |
| 19 | court costs in a civil action in any court of competent jurisdiction. |
| 20 | (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE |
| 21 | REQUIRES, "SMALL OWNER OR OPERATOR" MEANS AN OWNER OR |
| 22 | OPERATOR OF A DISTRIBUTION SYSTEM, AS DEFINED IN SECTION 40-2-115 |
| 23 | (2)(b), THAT SERVES FEWER THAN ONE THOUSAND CUSTOMERS IN THE |
| 24 | STATE. |
| 25 | SECTION 4. Safety clause. The general assembly finds, |
| 26 | determines, and declares that this act is necessary for the immediate |
| 27 | preservation of the public peace, health, or safety or for appropriations for |

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- 1 the support and maintenance of the departments of the state and state
- 2 institutions.

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