

## **SB 117 STAFF MEASURE SUMMARY**

### **House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 4/28, 5/5

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#### **WHAT THE MEASURE DOES:**

Authorizes Public Utility Commission to set by rule certain civil penalty amounts related to the transmission or distribution of gas by pipeline, or for the storage or treatment of gas to be distributed by pipeline, in an amount not to exceed civil penalties set by applicable federal law (Title 49 C.F.R. 190.223).

*Senate vote: Ayes, 29; Nays, 1--Heard*

*Minimal fiscal impact; no revenue impact*

#### **ISSUES DISCUSSED:**

- Federal funding is subject to annual certification process
- Current state statutory maximum civil penalties do not align with federal maximum penalties

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Oregon is certified by the U.S. Department of Transportation Pipeline and Hazardous Material Safety Administration to assume responsibility for certain aspects of intrastate natural gas pipeline regulatory, inspection, and enforcement activities. The federal maximum penalties were updated on January 11, 2021, and established a penalty of \$222,504 for each violation and each day the violation continues with a maximum civil penalty of \$2,225,034. Under current state law (ORS 757.991), the failure to comply with regulations, rules, or orders related to the transmission or distribution of gas by pipeline is subject to a civil penalty not to exceed \$200,000 for each failure for each day that the failure persists. The maximum civil penalty may not exceed \$2 million for any related series of failures.

Senate Bill 117 would authorize the Public Utility Commission to set by rule certain civil penalty amounts related to the transmission or distribution of gas by pipeline, or for the storage or treatment of gas to be distributed by pipeline, in an amount not to exceed the civil penalties set by the applicable federal law (Title 49 C.F.R. 190.223).