



2026 South Dakota Legislature

House Bill 1027

Introduced by: The Chair of the Committee on Commerce and Energy at the request of the Public Utilities Commission of the State of South Dakota

1 **An Act to update certain citations to federal regulations regarding pipeline safety**
 2 **inspections.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 49-34B-1 be AMENDED:**

5 **49-34B-1.** Terms used in this chapter mean:

6 (1) "Commission," the Public Utilities Commission of the State of South Dakota;

7 (2) "Emergency release," a release of a quantity of gas that is great enough to ~~pose~~;

8 (a) Pose a clear and immediate danger to life, health, or the environment; ~~;~~
 9 ~~or that threatens~~

10 (b) Threaten a significant loss of property;

11 (3) "Gas," natural gas, liquefied natural gas, flammable gas, gas ~~which~~ that is toxic or
 12 corrosive, or liquefied petroleum gas in a ~~distribution-systems~~ system;

13 (4) "Gas pipeline," all parts of ~~those~~ the physical facilities through which gas moves in
 14 transportation, including ~~pipe~~ compressor units, delivery stations, fabricated
 15 assemblies, holders, metering stations, pipes, regulator stations, valves, and other
 16 appurtenances attached to ~~pipe, compressor units, metering stations, regulator~~
 17 ~~stations, delivery stations, holders, and fabricated assemblies~~ the facilities;

18 (5) "Gas pipeline facilities," new and existing pipelines, and rights-of-way, ~~master~~
 19 ~~meter systems, pipeline facilities~~ within this state, which transport gas from an
 20 interstate gas pipeline to a direct sales customer, within this state, purchasing gas
 21 for ~~its~~ the customer's own consumption, and any building, equipment, or facility,
 22 ~~or building~~ used in the transportation of gas, or in the treatment of gas during the
 23 course of transportation, within this state;

24 (6) "Inspection fee," any fee assessed to pipeline operators based on the expenses
 25 and obligations incurred by the commission in implementing and administering this
 26 chapter;

- 1 (7) ~~—"Intrastate pipeline," any pipeline or that part of a pipeline to which this part applies~~
 2 ~~that is not an interstate pipeline;~~
- 3 (8) "Interstate pipeline," pipeline facilities used in the transportation of gas, which are
 4 subject to the jurisdiction of the Federal Energy Regulatory Commission under the
 5 Natural Gas Act, ~~United States Code, Title 15, sections 717 to 717z, inclusive, as~~
 6 ~~amended to January 1, 2023, except that it does not include 15 U.S.C. §§ 717 to~~
 7 ~~717z, inclusive (January 1, 2026), except any pipeline facilities facility,~~ within this
 8 state ~~which transport, transporting~~ gas from an interstate gas pipeline to a direct
 9 sales customer, within this state, purchasing gas for ~~its~~ the customer's own
 10 consumption;
- 11 (8) ~~"Intrastate pipeline," any pipeline or part of a pipeline to which this chapter applies,~~
 12 ~~but which is not an interstate pipeline;~~
- 13 (9) "Liquefied natural gas," natural gas or synthetic gas having methane (CH₄) as its
 14 major constituent ~~that, which~~ has been changed to a liquid or semisolid;
- 15 (10) "Master meter system," any pipeline system for distributing gas within ~~a definable~~
 16 ~~area, such as a mobile home park, housing project, or an~~ apartment complex,
 17 housing project, mobile home park, or other definable area, where the operator
 18 purchases metered gas from an outside source for resale through a gas distribution
 19 pipeline system and the gas distribution pipeline system supplies the ultimate
 20 consumer who ~~either~~ purchases the gas directly through a meter or by rents or
 21 ~~other means, such as by rents;~~
- 22 (11) "Pipeline operator," any person who owns or operates a pipeline;
- 23 (12) "Release," ~~a spilling, leaking, pumping, pouring, emitting, emptying, any~~
 24 ~~discharging, injecting, leaching, dumping, disposing, dumping, emitting, emptying,~~
 25 ~~flowing, injecting, leaching, leaking, pouring, pumping, spilling, or any uncontrolled~~
 26 ~~escape~~ escaping of a gas from a pipeline; and
- 27 (13) "Transportation of gas," the distribution, gathering, or transmission, ~~or distribution~~
 28 of gas by pipeline, or the storage of gas.

29 **Section 2. That § 49-34B-3 be AMENDED:**

30 **49-34B-3.** ~~There is created a pipeline safety inspection program. The federal~~
 31 ~~safety standards adopted as Code of Federal Regulations, title 49 appendix, parts 191,~~
 32 ~~192, 193, and 199 as amended to January 1, 2023 as set forth in 49 C.F.R. parts 191 to~~
 33 ~~193, inclusive, 199, and appendices to parts 191 and 192 (January 1, 2026), are adopted~~
 34 ~~as minimum~~ safety standards for this chapter. The commission shall establish and

1 implement a compliance pipeline safety inspection program to enforce these safety
 2 standards. ~~The program shall be established and implemented~~ in a manner that fully
 3 complies with requirements for state certification ~~under the United States Code, title 49,~~
 4 ~~section 60105, as amended to January 1, 2023~~ pursuant to 49 U.S.C. § 60105 (January
 5 1, 2026).

6 **Section 3. That § 49-34B-4 be AMENDED:**

7 **49-34B-4.** The commission may, by rules promulgated pursuant to chapter 1-26,
 8 establish safety standards, ~~but that are~~ not more stringent than federal safety standards,
 9 ~~as provided by~~ set forth in § 49-34B-3, for the intrastate transportation of gas and gas
 10 pipeline facilities. The standards may apply to the construction, design, ~~installation~~
 11 extension, inspection, installation, maintenance, operation, replacement, and testing,
 12 ~~construction, extension, operation, replacement, and maintenance~~ of gas pipeline
 13 facilities. Standards affecting the ~~design, installation,~~ construction, design, initial
 14 inspection, ~~and initial testing, and installation~~ do not apply to pipeline facilities in existence
 15 on the date the standards are adopted by either this state or the federal government. The
 16 safety standards ~~shall~~ must be practicable and designed to meet the need for pipeline
 17 safety. In prescribing the standards, the commission shall consider:

- 18 (1) Relevant available pipeline safety data;
- 19 (2) Whether the standards are appropriate for the particular type of pipeline
 20 transportation of gas;
- 21 (3) The reasonableness of any proposed standards;
- 22 (4) The extent to which ~~the~~ each standard will contribute to public safety; and
- 23 (5) The existing standards established by the secretary of the United States
 24 Department of Transportation pursuant to ~~the United States Code, title 49, section~~
 25 ~~60101 et seq. as amended to January 1, 2023~~ 49 U.S.C. §§ 60101 to 60143,
 26 inclusive (January 1, 2026).

27 **Section 4. That § 49-34B-13 be AMENDED:**

28 **49-34B-13.** ~~No~~ A person is not subject to civil penalties under this chapter if prior
 29 civil penalties have been imposed ~~under the United States Code, title 49, section 60101~~
 30 ~~et seq. as amended to January 1, 2023~~ pursuant to 49 U.S.C. §§ 60101 to 60143, inclusive
 31 (January 1, 2026), for conduct that may give rise to a violation of both acts. Nothing in
 32 this chapter limits the powers of the commission, or precludes the pursuit of any other
 33 administrative, civil, criminal, or injunctive, ~~or criminal remedies~~ remedy by the

1 commission or any other person. Administrative remedies need not be exhausted ~~in order~~
2 to proceed under this chapter. The remedies provided by this chapter are in addition to
3 those provided under existing statutory or common law.

4 **Section 5. That § 49-34B-14 be AMENDED:**

5 **49-34B-14.** The commission may, to the extent authorized by agreement with the
6 secretary of the United States Department of Transportation, act as agent for the secretary
7 of transportation to implement the ~~United States Code, title 49, section 60101 et seq. as~~
8 ~~amended to January 1, 2023~~ provisions of 49 U.S.C. §§ 60101 to 60143, inclusive
9 (January 1, 2026), and any federal pipeline safety regulations promulgated ~~thereto~~ with
10 respect to interstate gas pipelines located within this state, as necessary to obtain annual
11 federal certification. ~~The~~ If the commission agrees to serve as an agent for the Department
12 of Transportation, the commission shall must, to the extent authorized by federal law,
13 inspect pipelines in the state as authorized by ~~the~~ § 49-34B-3 and other applicable
14 provisions of this chapter.

15 **Section 6. That § 49-34B-15 be AMENDED:**

16 **49-34B-15.** The commission may seek and accept federal designation of the
17 commission's pipeline inspectors as federal agents for the purposes of inspection pursuant
18 ~~to the United States Code, title 49, section 60101 et seq. as amended to January 1, 2023~~
19 49 U.S.C. §§ 60101 to 60143, inclusive (January 1, 2026), and federal rules adopted to
20 implement those ~~acts~~ statutes. If the Department of Transportation delegates inspection
21 authority to the state as provided in this section, the commission ~~shall do what is~~
22 ~~necessary to~~ must carry out its delegated federal authority.

23 **Section 7. That § 49-34B-19 be AMENDED:**

24 **49-34B-19.** The commission may promulgate pipeline inspection and safety rules,
25 pursuant to chapter 1-26, to the extent necessary to enable the state to qualify for annual
26 federal certification to operate the federal pipeline inspection program of intrastate and
27 interstate gas pipelines as authorized by ~~the United States Code, title 49, section 60101~~
28 ~~et seq. as amended to January 1, 2023~~ 49 U.S.C. §§ 60101 to 60143, inclusive (January
29 1, 2026).

30 **Section 8. That § 49-34B-22 be AMENDED:**

1 **49-34B-22.** All information granted to, reported to, or obtained by the commission
2 under this chapter ~~that contains or relates to, which is~~ a trade secret ~~referred to in United~~
3 ~~States Code, title 18, section 1905, as amended to January 1, 2023, or that is granted by~~
4 ~~chapter 37-29, as defined in § 37-29-1,~~ is confidential ~~for the purpose of that section,~~
5 except that the information may be disclosed to the commission or ~~commission employee~~
6 ~~or its agent concerned with~~ responsible for enforcing this chapter. Nothing in this section
7 authorizes the withholding of information by the commission from a committee of the
8 Legislature.