

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

183Y0486

## SENATE COMMERCE AND ENERGY ENGROSSED NO. **SB 104** - 2/21/2017

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Senators Bolin, Frerichs, and Otten (Ernie) and Representatives Anderson, Ahlers, Jensen (Kevin), Latterell, Mills, Otten (Herman), Pischke, and Willadsen

1 FOR AN ACT ENTITLED, An Act to protect certain easement holders and rural customers  
2 from shutoffs by certain energy companies.

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

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 Terms used in this Act mean:

- 6 (1) "Farm tap," a natural gas piping connection made on an easement grantor's property,  
7 directly connected to a transmission pipeline, that is made available to a person  
8 through a farm tap easement;
- 9 (2) "Farm tap customer," a person who receives natural gas via a farm tap distribution  
10 system;
- 11 (3) "Farm tap distribution system," a privately owned natural gas pipeline system that  
12 branches from a farm tap to deliver natural gas to a farm tap customer; and
- 13 (4) "Farm tap vendor," any vendor of farm tap distribution system operator services to



1 a farm tap customer or to a natural gas transmission pipeline holding one or more  
2 farm tap easements.

3 Section 2. That the code be amended by adding a NEW SECTION to read:

4 A farm tap easement is an easement for the location, construction, operation or maintenance  
5 of a pipeline which includes, as part of the consideration for the easement, the provision of  
6 natural gas to and for the use of the grantor through a direct connection to the pipeline.

7 Section 3. That the code be amended by adding a NEW SECTION to read:

8 The farm tap customer is responsible for the safety and reliability of the farm tap distribution  
9 system, unless the farm tap customer has transferred ownership of the farm tap distribution  
10 system to a third party pursuant to an agreement which also transfers the responsibility for the  
11 safety and reliability of the farm tap distribution system to the third party.

12 Section 4. That the code be amended by adding a NEW SECTION to read:

13 The farm tap customer may not extend service from a farm tap distribution system to a third  
14 party without the express permission of the transmission or gathering pipeline operator and the  
15 farm tap vendor, if any. Farm tap customer service to the third party may be separately metered.

16 Section 5. That the code be amended by adding a NEW SECTION to read:

17 The farm tap vendor is not liable for damages arising from a farm tap or a farm tap  
18 distribution system, unless the damages are solely caused by the negligence of the farm tap  
19 vendor.

20 Section 6. That the code be amended by adding a NEW SECTION to read:

21 The owner of a farm tap distribution system which crosses a property line or a public  
22 highway shall register with the one call notification system as an operator pursuant to chapter  
23 49-7A.

24 Section 7. That chapter 43-13 be amended by adding a NEW SECTION to read:

1        In any action at law, alleging a suspension or cessation of farm tap services under a farm tap  
2        easement, a grantor or successor to a grantor of a farm tap easement may receive specific  
3        performance as a portion of the remedy from the farm tap easement grantee or its successor.