



AN ACT PROVIDING COMMON CARRIER STATUS TO PIPELINES MOVING CARBON DIOXIDE; AMENDING SECTIONS 69-13-101, 69-13-102, 69-13-201, 69-13-301, 69-13-302, AND 69-13-303, MCA; AND PROVIDING A CONTINGENT EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-13-101, MCA, is amended to read:

"69-13-101. Common carrier pipeline. (1) ~~The following are hereby declared to be common carriers and subject to the provisions of this chapter: every~~ Pursuant to subsection (3), each person, firm, corporation, limited partnership, joint-stock association, or association of any kind ~~whatever~~ is a common carrier if it engages in:

(a) owning, operating, or managing any pipeline or any part of any pipeline within the state for the transportation of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide to or for the public for hire or engaging in the business of transporting crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide by pipelines;

(b) owning, operating, or managing any pipeline or any part of any pipeline for the transportation of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide to or for the public for hire; ~~which~~ when the pipeline is constructed or maintained upon, along, over, or under any public road or highway;

(c) owning, operating, or managing any pipeline or any part of any pipeline for transportation to or for the public for hire of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide; ~~which~~ when the pipeline is or may be constructed, operated, or maintained across, upon, along, over, or under the right-of-way of any railroad, corporation, or other common carrier required by law to transport crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide as a common carrier;

(d) owning, operating, or managing or participating in ownership, operation, or management, under lease, contract of purchase, agreement to buy or sell, or other agreement or arrangement of any kind whatsoever, any pipeline or any part of any pipeline for the transportation from any oil field, coal mine or field, or place of production within the state to any distributing, refining, or marketing center or reshipping point ~~thereof~~, within this state, of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide, bought ~~of~~

from others; or

(e) made a common carrier by or under the terms of contract with or in pursuance of the law of the United States.

(2) The provisions of this chapter shall do not apply to:

(a) those pipelines which that are limited in their use to the wells, stations, plants, and refineries of the owner and which that are not a part of the pipeline transportation system of any common carrier, as herein defined; nor shall such provisions apply to or

(b) any property of such a common carrier which that is not a part of or necessarily incident to its pipeline transportation system.

(3) To be defined as a common carrier of carbon dioxide under this section, the carbon dioxide may be transported only for the purpose of permanent sequestration in a geologic formation."

Section 2. Section 69-13-102, MCA, is amended to read:

"69-13-102. Scope of chapter -- enforcement. (1) It is declared that the operation of these pipelines, to which this chapter applies, for the transportation of crude petroleum, coal, or the products thereof of crude petroleum or coal, or carbon dioxide, in connection with the purchase or purchase and sale of such crude petroleum, coal, or the products thereof of crude petroleum or coal, or carbon dioxide, is a business in ~~mode of~~ the conduct of which the public is interested and ~~as such~~ is subject to regulation by law. The business of purchasing or of purchasing and selling crude petroleum, coal, or the products thereof of crude petroleum or coal, or carbon dioxide, using in connection with ~~such that~~ business a pipeline of the class subject to this chapter to transport the crude petroleum, coal, or the products thereof of crude petroleum or coal, or carbon dioxide so bought or sold ~~shall~~ may not be conducted unless ~~such the pipeline so~~ used in connection with ~~such that~~ business is a common carrier within the purview of this ~~law~~ chapter and subject to the jurisdiction ~~herein~~ conferred upon the commission.

(2) It ~~shall be~~ is the duty of the attorney general to enforce this provision by injunction or other adequate remedy."

Section 3. Section 69-13-201, MCA, is amended to read:

"69-13-201. Establishment of rates and operating rules. (1) The commission ~~shall have the power to~~ may establish and enforce rates of charges and regulations for gathering, transporting, loading, and delivering

crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide by ~~such~~ common carrier in this state and for the use of storage facilities necessarily incident to ~~such~~ the transportation and to prescribe and enforce rules for the government and control of ~~such~~ common carriers in respect to their pipelines and receiving, transferring, and loading facilities. ~~It shall be its duty to~~ The commission shall exercise such the power upon petition by any person showing a substantial interest in the subject.

(2) ~~No~~ An order establishing or prescribing rates and rules ~~shall~~ may not be made except after hearing and at least 10 days' and not more than 30 days' notice to the person, firm, corporation, partnership, joint-stock association, or association owning or controlling and operating the pipeline or pipelines affected.

(3) ~~In the event any~~ If a rate shall be is filed by any pipeline and complaint against the ~~same rate~~ or petition to reduce the ~~same shall be~~ rate is filed by any shipper and ~~such the~~ complaint ~~be~~ is sustained, in whole or in part, all shippers who ~~shall~~ have paid the rates ~~so~~ filed by the pipeline ~~shall~~ have the right to reparation or reimbursement of all excess in transportation charges ~~so~~ paid, over and above the proper rate as finally determined, on all shipments made after the date of the filing of ~~such the~~ complaint."

Section 4. Section 69-13-301, MCA, is amended to read:

"69-13-301. Records and reports. (1) ~~Such common~~ Common carriers of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide shall make and publish their tariffs under ~~such~~ rules ~~as that~~ may be prescribed by ~~said the~~ commission. The commission shall require ~~them the common carriers~~ to make reports and may investigate their books and records kept in connection with ~~such the~~ business.

(2) The commission shall require ~~of such~~ common carrier pipelines to make monthly reports, duly verified under oath, of the total quantities of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide owned by ~~such the~~ pipelines, of that held by them in storage for others, and of their unfilled storage capacity. ~~No publicity shall~~ Publicity may not be given by the commission to the reports as to stock of crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide on hand of any particular pipeline, but the commission in its discretion may make public the aggregate amounts held by all the pipelines making ~~such the~~ reports and of their aggregate storage capacity."

Section 5. Section 69-13-302, MCA, is amended to read:

"69-13-302. Connection and interchange facilities. (1) ~~Every~~ Each common carrier shall exchange crude petroleum tonnage, coal tonnage, ~~or petroleum or coal products tonnage,~~ or carbon dioxide volume with

each ~~like~~ similar common carrier. The commission ~~shall have the power to~~ may require ~~such~~ connections and facilities for the interchange of ~~such~~ the tonnage and volume to be made at every locality reached by both pipelines whenever a necessity ~~therefor~~ for the connections and facilities exists, subject to ~~such~~ rates and regulations ~~as~~ that may be made by the commission. Any ~~such~~ common carrier under ~~like~~ similar rules ~~shall~~ must be required to install and maintain facilities for the receipt and delivery of crude petroleum, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide of patrons at all points on ~~such~~ the pipeline.

(2) ~~No~~ A carrier ~~shall~~ may not be required to receive or transport any crude petroleum, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide except ~~such~~ as may be marketable under rules ~~to be~~ prescribed by the commission, ~~which they are hereby empowered and required to prescribe~~. The commission is ~~also empowered and required to~~ shall make rules for the ascertainment of the amount of water and other foreign matter in crude oil, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide tendered for transportation, for deduction ~~therefor~~ for water and foreign matter, and for the amount of deduction to be made for temperature, leakage, and evaporation.

(3) The ~~recital herein~~ of particular powers ~~on~~ delegated to the part of said commission ~~shall~~ in this section may not be construed to limit the general powers conferred by this chapter."

Section 6. Section 69-13-303, MCA, is amended to read:

"69-13-303. Prohibition of discrimination in rates or service. (1) Except as provided in subsection (2), ~~no~~ a common carrier in its operations ~~as such shall~~ may not discriminate between or against shippers in regard to facilities furnished, service rendered, or rates charged under the same or similar circumstances in the transportation of crude petroleum, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide; ~~nor shall there~~ There may not be any discrimination in the transportation of crude petroleum, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide produced or purchased by ~~itself~~ the common carrier directly or indirectly. In this connection the pipeline ~~shall~~ must be considered as a shipper of the crude petroleum, coal, ~~or~~ the products ~~thereof~~ of crude petroleum or coal, or carbon dioxide produced or purchased by ~~itself~~ the pipeline directly or indirectly and handled through its facilities. ~~No~~ A carrier in ~~such~~ the operation ~~shall~~ may not directly or indirectly charge, demand, collect, or receive from any one a greater or lesser compensation for any service rendered than from another for a like and contemporaneous service. Subject to the provisions of this chapter and the rules ~~which~~ that may be prescribed by the commission, every ~~such~~ common carrier shall receive and transport crude petroleum, ~~or~~ coal, the products of crude petroleum or coal, or carbon dioxide delivered to

it for transportation and shall ~~so~~ receive and transport the ~~same~~ products and perform its other duties with respect ~~thereto~~ to the products without discrimination.

(2) The provisions of subsection (1) ~~shall do~~ not limit the right of the commission to prescribe rates and regulations different from or to some places from other rates or regulations for transportation from or to other places, as it may determine, ~~nor shall any A carrier be~~ is not guilty of discrimination when obeying any order of the commission. When there ~~shall be~~ is offered for transportation more crude petroleum, coal, ~~or the products thereof~~ of crude petroleum or coal, or carbon dioxide than can be immediately transported, the ~~same shall~~ products must be equitably apportioned. The commission may make and enforce general or specific regulations in this regard. ~~No such A common carrier shall~~ may not at any time be required to receive for shipments exceeding 3,000 barrels of petroleum or the products ~~thereof~~ of petroleum in any one day from any person, firm, corporation, or association of persons."

Section 7. Contingent voidness. If Senate Bill No. 218 is not passed and approved, [this act] is void.

Section 8. Contingent effective date. [This act] is effective when the department of environmental quality certifies to the code commissioner that the board of environmental review has adopted the rules required by Senate Bill No. 218.

- END -

I hereby certify that the within bill,
HB 0024, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2019.

President of the Senate

Signed this _____ day
of _____, 2019.

HOUSE BILL NO. 24

INTRODUCED BY KLOCK

BY REQUEST OF THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE

AN ACT PROVIDING COMMON CARRIER STATUS TO PIPELINES MOVING CARBON DIOXIDE;
AMENDING SECTIONS 69-13-101, 69-13-102, 69-13-201, 69-13-301, 69-13-302, AND 69-13-303, MCA;
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