

RCW 80.28.420 Gas company recovery of costs associated with replacing certain pipeline facilities—Information to be submitted to the commission—Definitions.

(1) The commission must initiate a proceeding to provide conditions concerning the interim recovery between rate cases by a gas company of the costs associated with replacing pipeline facilities that are demonstrated to have an elevated risk of failure and the costs associated with measures to expedite the reduction of hazardous leaks and reduce as practicable nonhazardous leaks from the gas company's gas pipelines.

(2) A gas company seeking an interim recovery between rate cases may submit to the commission, as part of a general rate case or a commission-approved interim rate treatment mechanism regarding the replacement of pipeline facilities, a description of equipment and new facilities that aid in the reduction of methane emissions and a list of projects and changes to operational procedures including, but not limited to, venting, blowdowns, and others, to expedite the replacement of pipeline facilities that present an elevated risk of failure and expedite the repairs of hazardous leaks and nonhazardous leaks. Items on the list must be ranked according to risk, severity, complexity, and impact to the environment and public health. A gas company may also include in its filing methods to implement and deploy leak detection technology capable of rapidly identifying leaks. As part of its filing, the gas company must include a cost-effectiveness analysis and propose a cap for annual expenditures recoverable through a cost recovery mechanism to be approved by the commission. The cost-effectiveness analysis must include considerations of risk and impacts to the environment and public health. A gas company may consider a percent of rate base, percent of revenues, total expenditures, or other basis for its proposed cap. As part of the proposal, the gas company must address the expected impact to ratepayers and other factors that may be required by the commission by rule.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Gas pipeline" has the same meaning as defined in RCW 81.88.010.

(b) "Hazardous leak" means a leak that represents an existing or probable hazard to persons or property and requires immediate repair or continuous action until the conditions are no longer hazardous.

(c) "Nonhazardous leak" includes a leak that is:

(i) Recognized as being not hazardous at the time of detection but justifies scheduled repair based on the potential for creating a future hazard; and

(ii) Not hazardous at the time of detection and can reasonably be expected to remain not hazardous.

(4) Nothing in this section may be construed to preempt the process by which a gas company is required to petition relevant state or local authorities when seeking to expand the capacity of the company's gas transmission or distribution lines.

(5) Nothing in this section may be construed to impose requirements or restrictions on or otherwise regulate interstate pipelines. [2020 c 32 s 2.]

Intent—2020 c 32: "It is the intent of the legislature to encourage a safer and more efficient natural gas transmission and distribution system through investments that address and minimize leaks in the natural gas pipeline system." [2020 c 32 s 1.]