

Analysis by the Legislative Reference Bureau of 2007 Senate Bill 273

Suppliers of liquified petroleum gas

Under current law, the Department of Commerce (Commerce) is authorized to promulgate rules for the installation, operation, repair, and maintenance of equipment for the storage, transportation, and use of liquefied petroleum gas (LPG) that is used for fuel purposes. Types of liquefied petroleum gases include propane gas and butane gas.

This bill requires that a supplier who fills containers with LPG, which is intended to be used directly by the consumer, must be licensed. The bill authorizes commerce to establish a fee for this license. The bill also requires such a supplier of LPG maintain proof of insurance or other financial means to compensate third parties for bodily injury and property damage for incidents associated with the release of LPG. The bill specifies the types of insurance or other financial means that the supplier may use.

Current law also requires that installers of equipment that use LPG for fuel purposes furnish the customer a statement showing the customer how the design, location, and installation of the equipment is in compliance with the rules promulgated by Commerce. This bill imposes additional notice requirements. Under the bill, a customer of a propane gas supplier must notify the supplier of any interruption in the operation of the customer's propane gas system due to modifications, repairs, servicing, or a replacement of the system that is performed by any person other than the supplier. The bill defines for purposes of this notification requirement that a "propane gas system" be one that has a total water capacity of at least 100 gallons. The bill establishes a time frame for this notice provided by the customer. The bill also requires that the supplier give the customer written notice of the customer's duty to notify when the supplier first delivers propane gas to the customer.

The bill also authorizes a licensed supplier who suffers damages caused by the filling of LPG containers by a unlicensed supplier to sue for an injunction and for monetary relief. The bill provides a formula for calculating the amount of the monetary award.

Statewide communication system

Under current law, owners of "transmission facilities" of electricity, gases, water, and other energy or telecommunication sources are required to be members of a statewide communication system under which a single operational center receives notices of proposed excavation and transmits certain information to the transmission facility owners affected by those notices. This system is commonly referred to as the "diggers hotline." Under current law, propane and other fuel storage tanks and pipelines are excluded from the definition of "transmission facilities" if they do not cross the public rights-of-way and if they are located on property that is leased or owned by the owners of the tanks and pipelines (private fuel systems). Therefore, none of the notification or excavation requirements under the statewide system apply to private fuel systems. As to transmission facilities other than private fuel systems that do not cross rights-of-way and that are on property leased or owned by the owner of the facilities (private transmission facilities), the owners of the transmission facilities are not required to be members of the statewide system. Examples of these private transmission facilities are underground lines from the principal building to a garage or barn or an underground sprinkler system. However, excavators are required to take reasonable action to learn the location of these facilities and owners of these facilities are required to repair and inspect the facilities if they are notified that these facilities have been damaged. Under the bill, private fuel systems are treated in the same manner as private transmission facilities.