

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 3017

BY DELEGATES KESSINGER AND FOSTER

[Introduced February 12, 2019; Referred to the
Committee on Energy.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §24-2-1n, relating to the deregulation of natural gas for certain consumers;
 3 bypassing the jurisdiction of the Public Service Commission for certain natural gas
 4 consumers; clarifying that certain high volume natural gas consumer are sophisticated
 5 commercial consumers capable of choosing from natural gas supply sources; providing
 6 that the jurisdiction of the Public Service Commission does not extend to certain entities
 7 engaged in the selling, giving, buying, providing, transporting or supplying of natural gas
 8 to any one or more persons or entities with a certain projected annual gas usage in West
 9 Virginia; allowing any person or entity with a certain projected annual gas usage in West
 10 Virginia to purchase and receive natural gas from various sources without the permission,
 11 consent, review or input of the Public Service Commission; providing circumstances to be
 12 met to bypass Public Service Commission; and clarifying that any person, corporation,
 13 limited liability company or any other entity or body engaged in the selling, giving, buying,
 14 providing, transporting or supplying of natural gas to any one or more persons or entities
 15 in accordance with section is not a public utility, intrastate pipeline or common carrier
 16 subject to the jurisdiction of the Public Service Commission.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.

§24-2-1n. Bypass of commission jurisdiction for certain natural gas consumers.

1 (a) Legislative findings:

2 (1) The Legislature hereby finds that ultimate consumers of natural gas with an annual
 3 gas usage of at least one million cubic feet are sophisticated commercial consumers of natural
 4 gas capable of choosing their source of natural gas supply;

5 (2) The Federal Energy Regulatory Commission frequently approves bypass of local
 6 utilities and permits construction of interstate pipeline facilities to directly serve end use customers
 7 from an interstate pipeline;

8 (3) The abundance of natural gas resources in West Virginia provides the unique
9 opportunity to attract significant downstream manufacturing industries to the state;

10 (4) The production and use of West Virginia natural gas in West Virginia will provide jobs
11 for West Virginians and generate additional income and property taxes for our governments;

12 (5) The deregulation of natural gas for certain ultimate consumers will facilitate the use of
13 West Virginia gas in state;

14 (6) The ability of large natural gas users to choose among gas suppliers without regulatory
15 supervision will save economic resources, foster competition in the state, and create additional
16 incentive for new businesses to locate in the state and employ West Virginians; and

17 (7) Commission approval of natural gas service is unnecessary for ultimate consumers of
18 natural gas with an annual gas usage of at least one million cubic feet.

19 (b) Notwithstanding any other provision of this code, the jurisdiction of the commission
20 does not extend to any person, corporation, limited liability company or any other entity or body
21 engaged in the selling, giving, buying, providing, transporting or supplying of natural gas to any
22 one or more persons or entities with a projected annual gas usage in West Virginia of at least one
23 million cubic feet.

24 (c) Any person or entity with a projected annual gas usage in West Virginia of at least one
25 million cubic feet may receive natural gas service from any person, corporation, limited liability
26 company or other entity without the permission, consent, review or input of the commission if the
27 using person or entity certifies to the commission that:

28 (1) Its projected annual natural gas usage will be at least one million cubic feet per year;

29 (2) It desires to receive natural gas from a supplier other than a public utility; and

30 (3) It will receive natural gas produced in West Virginia.

31 (d) Pursuant to this section, any person; corporation; limited liability company; or any other
32 entity or body engaged in the selling, giving, buying, providing, transporting or supplying of natural
33 gas to any one or more persons or entities is not considered a public utility, intrastate pipeline, or

- 34 common carrier subject to the jurisdiction of the commission for purposes of providing such
35 natural gas; *Provided*, That this section does not prevent or impede the commission's safety
36 regulations of pipelines pursuant to chapter 24 of this code.

NOTE: The purpose of this bill is to provide for the deregulation of natural gas for certain ultimate consumers by permitting the bypass of public utilities by natural gas suppliers to large volume users of natural gas.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.