

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5274

A bill to amend 1929 PA 16, entitled

"An act to regulate the business of carrying or transporting, buying, selling or dealing in crude oil or petroleum or its products, through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum; to provide for the control and regulation of all corporations, associations and persons engaged in such business, by the Michigan public utilities commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties for violations of the provisions hereof,"

by amending the title and sections 1, 3, 4, and 5 (MCL 483.1, 483.3, 483.4, and 483.5).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to regulate the business of carrying or transporting,

3

buying, selling, or dealing in crude oil or petroleum or its

4

products, **OR CERTAIN SUBSTANCES CONSISTING PRIMARILY OF CARBON**

1 **DIOXIDE** through pipe lines; to authorize the use of public highways
 2 and the condemnation of private property; to regulate the purchase
 3 and storage of crude oil or petroleum **OR CERTAIN SUBSTANCES**
 4 **CONSISTING PRIMARILY OF CARBON DIOXIDE**; to provide for the control
 5 and regulation of all corporations, associations, and persons
 6 engaged in such business, by the Michigan public ~~utilities~~**SERVICE**
 7 commission; to define the powers and duties of the commission in
 8 relation thereto; and to prescribe penalties. ~~for violations of the~~
 9 ~~provisions hereof.~~

10 Sec. 1. (1) ~~Every corporation, association or~~ **AS USED IN THIS**
 11 **ACT:**

12 (A) **"CARBON DIOXIDE SUBSTANCE" MEANS A GASEOUS OR LIQUID**
 13 **SUBSTANCE, CONSISTING PRIMARILY OF CARBON DIOXIDE, THAT WILL BE PUT**
 14 **IN STORAGE OR THAT HAS BEEN OR WILL BE USED TO PRODUCE HYDROCARBONS**
 15 **IN A SECONDARY OR ENHANCED RECOVERY OPERATION.**

16 (B) **"COMMISSION" MEANS THE MICHIGAN PUBLIC SERVICE COMMISSION.**

17 (C) **"PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,**
 18 **ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.**

19 (2) **A person** ~~now or hereafter~~ exercising or claiming the right
 20 to carry or transport crude oil or petroleum, or any of the
 21 products thereof, **OR CARBON DIOXIDE SUBSTANCES**, by or through pipe
 22 line or lines, for hire, compensation or otherwise, or ~~now or~~
 23 ~~hereafter~~ exercising or claiming the right to engage in the
 24 business of piping, transporting, or storing crude oil or
 25 petroleum, or any of the products thereof, **OR CARBON DIOXIDE**
 26 **SUBSTANCES**, or ~~now or hereafter~~ engaging in the business of buying,
 27 selling, or dealing in crude oil or petroleum ~~,~~**OR CARBON DIOXIDE**

1 **SUBSTANCES** within ~~the limits of~~ this state, shall ~~shall~~ **DOES** not have or
 2 possess the right to conduct or engage in ~~said~~ **THE** business or
 3 operations, in whole or in part, ~~as above described,~~ or have or
 4 possess the right to locate, maintain, or operate the necessary
 5 pipe lines, fixtures, and equipment ~~thereunto~~ belonging **TO**, or used
 6 in connection ~~therewith,~~ concerning the ~~said business of carrying,~~
 7 ~~transporting or storing crude oil or petroleum as aforesaid,~~ **WITH**
 8 **THAT BUSINESS** on, over, along, across, through, in or under any
 9 present or future highway, or part thereof, or elsewhere, within
 10 this state, or have or possess the right of eminent domain, or any
 11 other right, ~~or rights,~~ concerning ~~said~~ **THE** business or operations,
 12 in whole or in part, except as authorized by and subject to ~~the~~
 13 ~~provisions of this act. , except, further, and only such right or~~
 14 ~~rights as may already exist which are~~

15 (3) **SUBSECTION (2) DOES NOT APPLY TO A RIGHT THAT EXISTS ON**
 16 **MARCH 27, 1929 AND IS** valid, vested, and incapable of revocation by
 17 any law of this state or of the United States.

18 Sec. 3. (1) ~~There is hereby granted to and vested in the~~
 19 ~~Michigan public utilities commission, hereinafter styled the~~
 20 ~~"commission,"~~ **SUBJECT TO SUBSECTION (2), THE COMMISSION IS GRANTED**
 21 the power to control, investigate, and regulate ~~every corporation,~~
 22 ~~association or~~ **A person** , ~~now or hereafter exercising~~ **DOING ANY OF**
 23 **THE FOLLOWING:**

24 (A) **EXERCISING** or claiming the right to carry or transport
 25 crude oil or petroleum, or any of the products thereof, **OR CARBON**
 26 **DIOXIDE SUBSTANCES**, by or through pipe line or lines, for hire,
 27 compensation, or otherwise , ~~or now or hereafter exercising~~ **WITHIN**

1 **THIS STATE.**

2 (B) **EXERCISING** or claiming the right to engage in the business
3 of piping, transporting, or storing crude oil or petroleum, or any
4 of the products thereof, or ~~now or hereafter engaging~~ **CARBON**
5 **DIOXIDE SUBSTANCES WITHIN THIS STATE.**

6 (C) **ENGAGING** in the business of buying, selling, or dealing in
7 crude oil or petroleum **OR CARBON DIOXIDE SUBSTANCES** within the
8 ~~limits of this state. Provided, however, That all corporations,~~
9 ~~associations, or persons who are producers,~~

10 (2) **PRODUCERS** or refiners of crude oil ~~or petroleum~~ **OR**
11 **CARBON DIOXIDE SUBSTANCES** or operators of private trunk or
12 gathering lines or other methods of conveying ~~such~~ **THOSE** products,
13 ~~where~~ **ARE NOT SUBJECT TO THIS ACT IF** the nature and extent of their
14 business is private ~~and where in the conduct thereof~~ no public
15 interest is involved ~~are hereby specifically excepted and~~
16 ~~excluded from the terms of this act.~~ **IN THE CONDUCT OF THE BUSINESS.**

17 Sec. 4. ~~Every corporation, association or person, now or~~
18 ~~hereafter~~ **A PERSON** claiming or exercising the right to carry or
19 transport crude oil or petroleum, or any of the products thereof,
20 **OR CARBON DIOXIDE SUBSTANCES**, by pipe line or pipe lines, for hire,
21 compensation, or otherwise, ~~within the limits of~~ **IN** this state, as
22 owner, lessee, licensee, or by virtue of any other right or claim,
23 or ~~now engaged or hereafter engaging~~ in the business of purchasing
24 or storing crude oil or petroleum ~~or~~ **OR CARBON DIOXIDE SUBSTANCES**
25 ~~shall be~~ **IS** a common purchaser thereof. ~~and~~ **THE PERSON** shall
26 purchase all the **CRUDE OIL OR** petroleum **OR CARBON DIOXIDE**
27 **SUBSTANCES** in the vicinity of, or which may be reasonably reached

1 by its pipe lines, or gathering branches, without discrimination in
 2 favor of ~~1-ANY~~ producer or ~~1-OTHER~~ person as against another, and
 3 shall fully perform all the duties of a common purchaser. ~~7-but if~~
 4 ~~it shall be~~ **HOWEVER, IF THE PERSON IS** unable to perform the same,
 5 ~~or be~~ **DUTIES OF A COMMON PURCHASER OR IS** legally excused from
 6 purchasing, transporting, or storing all of the **CRUDE OIL OR**
 7 **petroleum OR CARBON DIOXIDE SUBSTANCES** produced **IN THE VICINITY,**
 8 then it shall purchase, transport, or store **CRUDE OIL OR** petroleum
 9 **OR CARBON DIOXIDE SUBSTANCES** from each ~~person and~~ producer **OR OTHER**
 10 **PERSON** ratably, in proportion to the average daily production. ~~7~~
 11 ~~and such common purchasers are hereby expressly prohibited from~~
 12 ~~discriminating~~ **A COMMON PURCHASER SHALL NOT DISCRIMINATE** in price
 13 or amount for like grades of **CRUDE oil OR PETROLEUM OR CARBON**
 14 **DIOXIDE SUBSTANCES** or facilities as between producers or **OTHER**
 15 persons. ~~7-and in the event it is likewise a producer, it is hereby~~
 16 ~~prohibited from discriminating~~ **IF A COMMON PURCHASER IS ALSO A**
 17 **PRODUCER, IT SHALL NOT DISCRIMINATE** in favor of its own production,
 18 or storage, or **ANY** production or storage in which it ~~may be~~ **IS**
 19 interested directly or indirectly in whole or in part, and **SHALL**
 20 **TREAT** its own production and storage ~~shall be treated as~~ **LIKE** that
 21 of any other ~~person or~~ producer **OR OTHER PERSON.**

22 Sec. 5. ~~Every corporation, association or person, now or~~
 23 ~~hereafter~~ **A PERSON** engaged in the business of carrying or
 24 transporting crude oil or petroleum, or any of the products
 25 thereof, **OR CARBON DIOXIDE SUBSTANCES,** for hire or compensation or
 26 otherwise, by pipe line or lines, within this state, ~~shall be~~ **IS** a
 27 common carrier thereof as at common law. ~~7-and no such~~ **SUCH A**

1 common carrier shall **NOT** allow or ~~be guilty of~~ **COMMIT** any unjust or
2 unlawful discrimination, directly or indirectly, in favor of the
3 carriage, transportation, storage, or delivery of any crude, stock,
4 or storage oil, **OR PETROLEUM**, or any products thereof, **OR CARBON**
5 **DIOXIDE SUBSTANCES THAT ARE** in its possession or control, or in
6 which ~~it may be~~ **THE COMMON CARRIER IS** interested, directly or
7 indirectly.

8 Enacting section 1. This amendatory act does not take effect
9 unless all of the following bills of the 97th Legislature are
10 enacted into law:

- 11 (a) House Bill No. 4885.
12 (b) House Bill No. 5254.
13 (c) House Bill No. 5255.