

HOUSE BILL No. 5274

January 30, 2014, Introduced by Reps. Pettalia and Nesbitt and referred to the Committee on Energy and Technology.

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:

TITLE

An act to regulate the business of carrying or transporting, buying, selling, or dealing in crude oil or petroleum or its

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

11 Sec. 1. (1) Every corporation, association, or person ~~now or~~
 12 ~~hereafter~~ exercising or claiming the right to carry or transport
 13 crude oil or petroleum, or any of the products thereof, **OR GASEOUS**
 14 **OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE, THAT**
 15 **WILL BE PUT IN STORAGE OR THAT HAVE BEEN OR WILL BE USED TO PRODUCE**
 16 **HYDROCARBONS IN SECONDARY OR ENHANCED RECOVERY OPERATIONS**, by or
 17 through pipe line or lines, for hire, compensation or otherwise, or
 18 ~~now or hereafter~~ exercising or claiming the right to engage in the
 19 business of piping, transporting or storing crude oil or petroleum,
 20 or any of the products thereof, **OR SUCH GASEOUS OR LIQUID**
 21 **SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE**, or ~~now or~~
 22 ~~hereafter~~ engaging in the business of buying, selling, or dealing
 23 in crude oil or petroleum, **OR SUCH GASEOUS OR LIQUID SUBSTANCES,**
 24 **CONSISTING PRIMARILY OF CARBON DIOXIDE**, within the limits of this
 25 state, shall not have or possess the right to conduct or engage in
 26 ~~said~~-**THE** business or operations, in whole or in part, ~~as above~~
 27 ~~described~~, or have or possess the right to locate, maintain, or

1 operate the necessary pipe lines, fixtures, and equipment thereunto
 2 belonging **TO**, or used in connection therewith, ~~concerning the said~~
 3 ~~business of carrying, transporting or storing crude oil or~~
 4 ~~petroleum as aforesaid,~~ **WITH THAT BUSINESS** on, over, along, across,
 5 through, in or under any present or future highway, or part
 6 thereof, or elsewhere, within this state, or have or possess the
 7 right of eminent domain, or any other right or rights, concerning
 8 ~~said~~ **THE** business or operations, in whole or in part except as
 9 authorized by and subject to the provisions of this act. ~~, except,~~
 10 ~~further, and only such right or rights as may already exist which~~
 11 ~~are~~

12 (2) **SUBSECTION (1) DOES NOT APPLY TO A RIGHT THAT EXISTS ON**
 13 **MARCH 27, 1929 AND IS** valid, vested, and incapable of revocation by
 14 any law of this state or of the United States.

15 Sec. 3. (1) ~~There is hereby granted to and vested in~~ **SUBJECT**
 16 **TO SUBSECTION (2),** the Michigan public utilities ~~SERVICE~~
 17 commission, hereinafter ~~styled~~ **REFERRED TO AS** the "commission," the
 18 ~~power to~~ **MAY** control, investigate, and regulate every corporation,
 19 association, or person, ~~now or hereafter exercising~~ **DOING ANY OF**
 20 **THE FOLLOWING:**

21 (A) **EXERCISING** or claiming the right to carry or transport
 22 crude oil or petroleum, or any of the products thereof, **OR GASEOUS**
 23 **OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE, THAT**
 24 **WILL BE PUT IN STORAGE OR THAT HAVE BEEN OR WILL BE USED TO PRODUCE**
 25 **HYDROCARBONS IN SECONDARY OR ENHANCED RECOVERY OPERATIONS,** by or
 26 through pipe line or lines, for hire, compensation or otherwise. ~~7~~
 27 ~~or now or hereafter exercising~~

1 **(B) EXERCISING** or claiming the right to engage in the business
 2 of piping, transporting or storing crude oil or petroleum, or any
 3 of the products thereof, or ~~now or hereafter engaging~~ **SUCH GASEOUS**
 4 **OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE.**

5 **(C) ENGAGING** in the business of buying, selling, or dealing in
 6 crude oil or petroleum **OR SUCH GASEOUS OR LIQUID SUBSTANCES,**
 7 **CONSISTING PRIMARILY OF CARBON DIOXIDE,** within the limits of this
 8 state. ~~+ Provided, however, That~~

9 **(2) HOWEVER,** all corporations, associations, or persons who
 10 are producers, or refiners of crude oil ~~or~~ petroleum **OR SUCH**
 11 **GASEOUS OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON**
 12 **DIOXIDE,** or **WHO ARE** operators of private trunk or gathering lines
 13 or other methods of conveying ~~such~~ **THOSE** products, ~~where~~ **IF** the
 14 nature and extent of their business is private, and ~~where~~ **IF** in the
 15 conduct thereof no public interest is involved, are hereby
 16 ~~specifically excepted and excluded from the terms of~~ **NOT SUBJECT TO**
 17 this act.

18 Sec. 4. Every corporation, association, or person, ~~now or~~
 19 ~~hereafter~~ claiming or exercising the right to carry or transport
 20 crude oil or petroleum or any of the products thereof ~~or~~ **OR GASEOUS**
 21 **OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE, THAT**
 22 **WILL BE PUT IN STORAGE OR THAT HAVE BEEN OR WILL BE USED TO PRODUCE**
 23 **HYDROCARBONS IN SECONDARY OR ENHANCED RECOVERY OPERATIONS,** by pipe
 24 line or pipe lines, for hire, compensation, or otherwise, within
 25 the limits of this state, as owner, lessee, licensee, or by virtue
 26 of any other right or claim, or now engaged or hereafter engaging
 27 in the business of purchasing or storing crude oil or petroleum **OR**

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

1 Sec. 5. Every corporation, association, or person, now or
2 hereafter engaged in the business of carrying or transporting crude
3 oil or petroleum, or any of the products thereof, **OR GASEOUS OR**
4 **LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON DIOXIDE, THAT**
5 **WILL BE PUT IN STORAGE OR THAT HAVE BEEN OR WILL BE USED TO PRODUCE**
6 **HYDROCARBONS IN SECONDARY OR ENHANCED RECOVERY OPERATIONS,** for hire
7 or compensation or otherwise, by pipe line or lines, within this
8 state, shall be a common carrier thereof as at common law. ~~and no~~
9 ~~such~~ **SUCH A** common carrier shall **NOT** allow or ~~be guilty of~~ **COMMIT**
10 any unjust or unlawful discrimination, directly or indirectly, in
11 favor of the carriage, transportation, storage, or delivery of any
12 crude, stock, or storage oil, or any products thereof, **OR SUCH**
13 **GASEOUS OR LIQUID SUBSTANCES, CONSISTING PRIMARILY OF CARBON**
14 **DIOXIDE, THAT ARE** in its possession or control, or in which it may
15 be interested, directly or indirectly.

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

19 (a) House Bill No. 5254.

20 (b) House Bill No. 5255.