

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2469

Session of
1978

INTRODUCED BY MR. GARZIA, MAY 23, 1978

AS REPORTED FROM COMMITTEE ON MINES AND ENERGY MANAGEMENT, HOUSE
OF REPRESENTATIVES, AS AMENDED, JUNE 5, 1978

AN ACT

1 Providing for the regulation of natural or man-made caverns
2 which are used for the storage of crude oil or its
3 derivatives, natural or artificial gas, authorizing the
4 Department of Labor and Industry to prescribe regulations for
5 the use and maintenance of such facilities in order to insure
6 the health and safety of workers and the general public and
7 for the protection of property, providing for the regulation
8 of the construction of such facilities by the Department of
9 Environmental Resources, requiring the posting of a bond and
10 providing penalties.

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2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the "Underground
6 Storage Act."

7 Section 2. Definitions.

8 The following words and phrases, when used in this act, shall
9 have, unless the context clearly indicates otherwise, the
10 meanings given to them in this section:

11 "Commodity" or "stored commodity." Either in a liquid or
12 gaseous state: crude oil and its derivatives; natural and <—
13 artificial gas.

14 "Department." The Department of Labor and Industry.

15 "Underground storage facility." A natural or man-made cavern
16 used for the storage of a commodity. Excluded are storage
17 facilities which are not natural or man-made caverns and which
18 are registered with the department for the storage of liquified
19 petroleum gas pursuant to the act of December 27, 1951

20 (P.L.1793, No.475), referred to as the Liquified Petroleum Gas
21 Act AND ALL UNDERGROUND STORAGE FACILITIES SUBJECT TO THE ACT OF <—
22 NOVEMBER 30, 1955 (P.L.756, NO.225), KNOWN AS THE "GAS
23 OPERATIONS, WELL-DRILLING, PETROLEUM AND COAL MINING ACT."

24 "User." Any person, firm, corporation, partnership or other
25 entity including the Commonwealth and its political
26 subdivisions.

27 Section. 3. Annual registration.

28 (a) Registration requirement.--No underground storage
29 facility shall be used to store a commodity unless the same has
30 been registered with the department.

(b) Application.--An application for a registration certificate shall be made on such form and in such manner as prescribed by the rules of the department. The information required on the application shall include, but not be limited to, ~~the following:~~

~~(1) Certification by a geologist or geological engineer that the porosity and structural stability of the surrounding rock formations meet or exceed the minimum standards set by the department.~~

~~(2) Certification by a chemist or chemical engineer that the surrounding rock will not react with the stored commodity.~~

~~(3) A statement that the bond required by this act has been given.~~ A STATEMENT THAT THE BOND OR SECURITY REQUIRED BY THIS ACT HAS BEEN GIVEN.

(c) Fee.--

(1) A fee of \$100 shall be collected by the department for each new or renewal registration certificate issued.

(2) All fees collected under this act shall be paid into the State Treasury through the Department of Revenue.

Section 4. Rules and regulations.

(a) In general.--The department shall, in the manner provided by law, promulgate rules and regulations governing:

(1) The use and maintenance of underground storage facilities and associated pumping, venting, safety and other equipment.

(2) Commercial, industrial or construction activity at or near underground storage facility sites.

~~(3) The odorization of gaseous commodities.~~

(b) Nature of regulations.--The regulations shall be as are

1 reasonably necessary for the protection of the health and safety
2 of workers and the general public and for the protection of
3 public and private property located near underground storage
4 facility sites.

5 (c) Recognized standards.--The regulations shall be in
6 substantial conformity with the generally accepted standards for
7 the storage of commodities in underground storage facilities.

8 Section 5. Bond.

9 ~~(a) Requirement.~~ The user of an underground storage <—
10 facility shall post a bond ~~covering damages caused by the use of~~ <—
11 IN A FACE AMOUNT OF \$100,000 OR PROOF OF LIABILITY INSURANCE <—
12 COVERAGE IN SAID AMOUNT TO COVER DAMAGES WHICH MAY BE CAUSED BY
13 THE USE OF such facility or a stored commodity.

14 ~~(b) Amount.~~ The face amount of such bond shall represent a <—
15 value of \$1 for each gallon or cubic foot of storage capacity of
16 the facility containing a liquid or gaseous commodity, as the
17 case may be.

18 ~~(c) Minimum amount.~~ The minimum amount of the bond shall be
19 \$50,000.

20 Section 6. Construction.

21 The design and construction of ~~man-made~~ underground storage <—
22 facilities shall be in accordance with the rules and regulations
23 of the Department of Environmental Resources. NO UNDERGROUND <—
24 STORAGE FACILITY SHALL BE USED TO STORE A COMMODITY UNTIL A
25 PERMIT HAS BEEN ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL
26 RESOURCES AND THE USER OF SUCH FACILITY HAS FURNISHED THE
27 DEPARTMENT OF ENVIRONMENTAL RESOURCES WITH THE FOLLOWING:

28 (1) CERTIFICATION BY A GEOLOGIST OR GEOLOGICAL ENGINEER
29 THAT THE POROSITY AND STRUCTURAL STABILITY OF THE SURROUNDING
30 ROCK FORMATIONS MEET OR EXCEED THE MINIMUM STANDARDS SET BY

1 THE DEPARTMENT.

2 (2) CERTIFICATION BY A CHEMIST OR CHEMICAL ENGINEER THAT
3 THE SURROUNDING ROCK WILL NOT REACT WITH THE STORED
4 COMMODITY.

5 Section 7. Storage pressure.

6 ~~Storage of commodities in underground storage facilities~~ <—
7 ~~shall be at atmospheric pressure.~~

8 NO EXTERNAL PRESSURE SHALL BE APPLIED TO THE STORED COMMODITY <—
9 OTHER THAN THE NORMAL PRESSURE REQUIRED TO MOVE IT INTO STORAGE.

10 Section 8. Enforcement.

11 (a) Inspection.--The department shall, for the purpose of
12 inspection have a right of access to every underground storage
13 facility and associated buildings and equipment.

14 (b) Suspension of use.--If, in the judgment of the
15 department the continued use of an underground storage facility
16 or associated equipment is found to be dangerous to life or
17 property, the department may order the suspension of use of the
18 facility or equipment until the reasonable and necessary changes
19 recommended by the department are made. ANY SUCH DETERMINATION <—
20 SHALL BE SUBJECT TO THE REVIEW PROCEDURES PROVIDED IN THE ACT OF
21 JUNE 4, 1945 (P.L.1388, NO.442), KNOWN AS THE "ADMINISTRATIVE
22 AGENCY LAW."

23 (c) Records.--Adequate records shall be maintained by each
24 user of an underground storage facility and shall be made
25 available to the department upon request. The department may by
26 rule, establish the form and contents of such records.

27 Section 9. Penalties.

28 Any user of an underground storage facility who violates any
29 order of the department regarding the use of an underground
30 storage facility or associated equipment, shall upon conviction

1 thereof, be guilty of a summary offense and shall be fined the
2 sum of \$500 for each day of such violation, plus costs.

3 Section 10. Transition provision.

4 Any storage facility which is a natural or man-made cavern
5 and which is registered with the department for the storage of
6 liquified petroleum gas pursuant to the Liquified Petroleum Gas
7 Act shall, on and after the effective date of this act, be
8 subject to regulations under this act and not the Liquified
9 Petroleum Gas Act.

10 Section 11. Repeals.

11 (a) Specific repeals.--As much of the act of December 27,
12 1951 (P.L.1793, No.475), entitled "An act providing for the
13 marking of liquefied petroleum gas containers and prohibiting
14 the refilling or use of such containers without authorization by
15 the owner thereof; authorizing the Department of Labor and
16 Industry, after public hearing, to prescribe uniform regulations
17 for safety in the design, construction, location, installation
18 and operation of equipment for storing, handling, transporting
19 by tank truck or tank trailer and utilizing liquefied petroleum
20 gases for fuel purposes and for the odorization of said gases
21 used therewith; prohibiting the adoption by municipalities or
22 other political subdivisions of ordinances or regulations in
23 conflict with this act; providing for prosecutions for
24 violations of this act by summary proceedings, and prescribing
25 the penalty therefor," as is inconsistent herewith, is hereby
26 repealed to the extent of the inconsistency.

27 (b) General repeal.--All acts or parts of acts inconsistent
28 herewith are hereby repealed to the extent of the inconsistency.

29 Section 12. Effective date.

30 This act shall take effect in 90 days.