

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 536
94TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Energy and the Environment, April 5, 2007, with recommendation that the Senate Committee Substitute do pass.

1899S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to natural gas safety penalties, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 386, RSMo, is amended by adding thereto one new
2 section, to be known as section 386.572, to read as follows:

**386.572. 1. No corporation, person, public utility, or municipality
2 that owns a gas plant shall violate any law or any order, decision,
3 decree, rule, direction, demand, or requirement of the commission or
4 any part or portion thereof relating to federally mandated natural gas
5 safety standards. Notwithstanding the above, a municipality that owns
6 a gas plant shall be subject to the provisions of this section only for
7 violations of natural gas safety laws, rules, or orders.**

8 **2. The maximum penalties for violations of federally mandated
9 natural gas safety standards, or such stricter natural gas safety
10 standards or rules as may be approved by the commission, shall not be
11 greater than twenty-five thousand dollars for each violation with a
12 maximum penalty for a continuing violation or a multiple series of
13 violations of the same standard or rule provision not to exceed two
14 hundred fifty thousand dollars, notwithstanding any provisions of
15 subsection 1 of section 386.570 to the contrary. The maximum penalty
16 for each violation shall increase to thirty thousand dollars, effective
17 January 1, 2015, thirty-five thousand dollars, effective January 1, 2025,
18 forty thousand dollars, effective January 1, 2035, and fifty thousand
19 dollars, effective January 1, 2040. The maximum penalty for a
20 continuing violation or a multiple series of violations of the same**

21 standard or rule provision shall increase to three hundred thousand
22 dollars, effective January 1, 2015, three hundred fifty thousand dollars,
23 effective January 1, 2025, four hundred thousand dollars, effective
24 January 1, 2035, and five hundred thousand dollars, effective January
25 1, 2040. In determining the amount of the penalty, the commission shall
26 consider the nature, circumstances, and gravity of the violation, and
27 also shall consider, with respect to the entity found to have committed
28 the violation:

- 29 (1) The degree of culpability;
- 30 (2) Any history of prior violations;
- 31 (3) The effect of the penalty on the entity's ability to continue
32 operation;
- 33 (4) Any good faith effort in attempting to achieve compliance;
- 34 (5) Ability to pay the penalty; and
- 35 (6) Such other matters as are relevant in the case.

36 3. Every violation of a specific natural gas safety standard or
37 rule by any corporation, person, public utility, or municipality that
38 owns a gas plant is a separate and distinct offense, regardless of
39 whether such violations relate to the same incident. In case of a
40 continuing violation, each day's continuance thereof shall be a separate
41 and distinct offense.

42 4. In construing and enforcing the provisions of this section, the
43 act, omission, or failure of any officer, agent, or employee of any
44 corporation, person, public utility, or municipality that owns a gas
45 plant acting within the scope of official duties of employment shall in
46 every case be considered the act, omission, or failure of such
47 corporation, person, public utility, or municipality that owns a gas
48 plant.

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