

**State Corporation Commission**  
**2025 General Assembly Session**  
**State Fiscal Impact Statement**

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**PUBLISHED: 1/22/2025 1:02 PM**

**ORIGINAL**

**Bill Number:** HB2545      **Patron:** Rasoul  
**Bill Title:** Gas pipeline safety; regulations.

**Bill Summary:** Requires that for pipeline facilities used in the interstate transport of gas, as defined in federal regulations, any gas transported in transmission lines in the Commonwealth shall be adequately odorized, with an exception for certain pipelines in operation before May 5, 1975. The bill directs the State Corporation Commission to promulgate regulations related to the provisions of the bill.

**Budget Amendment Necessary:** No.      **Items Impacted:** None.  
**Explanation:** Not applicable

**Fiscal Summary:** The estimated fiscal impact is indeterminate on the State Corporation Commission for the reasons explained in the Fiscal Analysis.

**General Fund Expenditure Impact:** None

**Nongeneral Fund Expenditure Impact:** Indeterminate

**Position Impact:** None

**Fiscal Analysis:** The bill amends § 56-257.2 to require odorization of interstate pipelines. The bill further directs the State Corporation Commission ("SCC") to promulgate regulations related to the new subsection. The new requirements of the bill mandate that all interstate transmission pipelines are odorized at concentrations of one-fifth the lower explosive limit, except gas enroute to storage fields via a transmission pipeline that transported gas without an odorant prior to May 5, 1975.

The SCC's Division of Utility and Railroad Safety assists the Commission in carrying out its intrastate pipeline safety program pursuant to §56-257.2. The Commission's inspection, enforcement, and funding for this effort flow from an annual certification process conducted by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") under the U.S. Department of Transportation, the federal agency primarily responsible for developing, issuing, and enforcing safety regulations for pipelines. A state's pipeline safety program must comply with PHMSA's empowering statutes found in 49 U.S.C. § 60101 *et seq.* in order to be eligible for grant monies. The SCC receives anywhere from \$1.5 to \$2 million annually from PHMSA to inspect intrastate pipelines.

This bill, as introduced, may put the SCC's pipeline safety laws out of compliance with PHMSA's empowering statutes. This may result in the SCC losing its certification to inspect intrastate pipelines in the Commonwealth and therefore potentially all the grant monies mentioned above from PHMSA. Should the SCC lose some or all the identified grant monies, a funding source to supplant any lost funding would be provided for the SCC to carry out its responsibilities in §56-257.2.

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**Other:** None