

BILL ANALYSIS

Senate Research Center

S.B. 2401
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are approximately 16,000 pipeline leaks reported to the Railroad Commission of Texas (railroad commission) annually. Of the 16,000 reported, approximately 25 percent of the leaks are considered to be Grade 1 leaks, which pose the most significant threat to public safety.

Currently, the railroad commission does not check every Grade 1 leak to ensure that it has been properly fixed by an operator. Instead, a sample of an operator's reported leaks is taken, and only the sample area is inspected by the railroad commission.

Additionally, there is no notification process in place for the railroad commission to report to the operator, a city councilperson, or county commissioner representing the area where the leak occurred, that the leak has been repaired and the repair is working.

As proposed, S.B. 2401 requires the railroad commission to inspect all Grade 1 leaks and to report its findings to the city councilperson and county commissioner representing the area where the leak is located and the operator of the pipeline facility where the leak occurred.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 (Section 912.305, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 91, Natural Resources Code, by adding Subchapter I, as follows:

SUBCHAPTER I. REMEDIATING GRADE 1 GAS LEAKAGE

Sec. 91.301. DEFINITION. Defines "operator."

Sec. 91.302. OPERATOR RESPONSE TO GAS LEAKAGE; GRADING. (a) Requires an operator to promptly respond to any notification it receives of a gas leak or gas odor emanating from any of its pipeline facilities, or damage to the facilities caused by excavators or other side sources.

(b) Requires that a response under Subsection (a) include a grading of any gas leakage, performed only by individuals who possess training, experience, and knowledge in the field of leak classification and investigation, including extensive association with actual leakage work.

(c) Requires that the assessment made by individuals described by Subsection (b), based on all pertinent information and a complete leak investigation at the scene, form the basis for the leak grade determination.

(d) Requires the operator, if the leak is determined to be Grade 1, as described by Section 912.303, to immediately take any of the appropriate actions prescribed by Subsection (b) of that section.

(e) Requires an operator to ensure that its leak detection equipment is properly calibrated.

Sec. 912.303. **GRADE 1 LEAK.** (a) Provides that a Grade 1 leak is an existing or a probable hazard to persons or property and requires the operator to take immediate action to eliminate the hazard and make repairs. Provides that a Grade 1 leak includes any leak which, in the judgment of operating personnel at the scene, is regarded as an immediate hazard; escaping gas that has ignited; any indication of gas that has migrated into or under a building or into a tunnel; any reading at the outside wall of a building, or where gas would likely migrate to an outside wall of business; any reading of 80 percent lower explosive limit or greater in a confined space; any reading of 80 percent lower explosive limit or greater in small substructures, other than gas-associated substructures, from which gas would likely migrate to the outside wall of a building; or any leak that can be seen, heard, or felt and that is in a location that may endanger property of the public.

(b) Provides that a Grade 1 leak requires that the operator take prompt action to eliminate the hazardous conditions. Authorizes the prompt action to require one or more of the following: implementing an emergency plan, as described by 49 C.F.R. Section 192.615; evacuating premises; blocking off an area; rerouting traffic; eliminating sources of ignition; venting the area by removing manhole covers, barholing, installing vent holes, or other means; stopping the flow of gas by closing valves or other means; or notifying emergency responders.

Sec. 912.304. **REPORTING OF GRADE 1 LEAKS.** (a) Requires an operator to submit to the Railroad Commission of Texas (railroad commission) a list of all Grade 1 leaks repaired on its pipeline facilities and identified on any of its pipeline facilities.

(b) Requires the operator to submit leak reports, using the railroad commission's online reporting system, by July 15 and January 15 of each calendar year, in accordance with the Form PS-95 semiannual leak report electronic filing requirements.

(c) Requires that the report to be submitted on July 15 include information from the previous January 1 through the previous June 30. Requires that the report to be submitted on January 15 include information from the previous July 1 through the previous December 31.

(d) Requires that the report include leak location, facility type, pipe size, pipe type, leak cause, and leak repair method.

Sec. 912.305. **COMMISSION VERIFICATION OF GRADE 1 LEAK REPAIR.** (a) Requires the railroad commission to verify, within a reasonable time after a report is submitted under Section 912.304, that all repairs to Grade 1 leaks were performed as reported.

(b) Requires the railroad commission to adopt rules specifying the time frame during which the railroad commission will perform verification under this section.

Sec. 912.306. **RESULTS OF VERIFICATION REPORTED TO LOCAL ENTITIES.** Requires the railroad commission to report its findings in connection with the verification performed under Section 912.305 to the city councilperson and county commissioner who represent the area in which the Grade 1 leak is located and the operator of the pipeline facility where the leak occurred.

SECTION 2. Requires the railroad commission to develop rules required under Subchapter I, Chapter 91, Natural Resources Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2009.