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H.B. No. 866

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the installation, removal, and replacement of certain
3 gas pipelines; clarifying changes to related administrative
4 penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 121.206(a) and (d), Utilities Code, are
7 amended to read as follows:

8 (a) The railroad commission may assess an administrative
9 penalty against a person who violates Section 121.201 or a safety
10 standard or other rule prescribed or adopted under this subchapter
11 [~~that section~~].

12 (d) The railroad commission by rule shall adopt guidelines
13 to be used in determining the amount of a penalty under this
14 subchapter. The guidelines shall include a penalty calculation
15 worksheet that specifies the typical penalty for certain
16 violations, circumstances justifying enhancement of a penalty and
17 the amount of the enhancement, and circumstances justifying a
18 reduction in a penalty and the amount of the reduction. The
19 guidelines shall take into account:

20 (1) the person's history of previous violations of
21 Section 121.201 or a safety standard or other rule prescribed or
22 adopted under this subchapter [~~that section~~], including the number
23 of previous violations;

24 (2) the seriousness of the violation and of any

1 pollution resulting from the violation;

2 (3) any hazard to the health or safety of the public;

3 (4) the degree of culpability;

4 (5) the demonstrated good faith of the person charged;

5 and

6 (6) any other factor the commission considers
7 relevant.

8 SECTION 2. Subchapter E, Chapter 121, Utilities Code, is
9 amended by adding Section 121.213 to read as follows:

10 Sec. 121.213. INSTALLATION, REMOVAL, AND REPLACEMENT OF
11 CERTAIN PIPELINES. (a) In this section, "distribution gas
12 pipeline facility" means a pipeline facility that distributes
13 natural gas directly to end-use customers.

14 (b) A distribution gas pipeline facility operator may not
15 install as part of the operator's underground system a cast iron,
16 wrought iron, or bare steel pipeline.

17 (c) The railroad commission by rule shall require the
18 operator of a distribution gas pipeline facility system to:

19 (1) develop and implement a risk-based program for the
20 removal or replacement of underground distribution gas pipeline
21 facilities; and

22 (2) annually remove or replace at least eight percent
23 of underground distribution gas pipeline facilities posing the
24 greatest risk in the system and identified for replacement under
25 the program.

26 (d) A distribution gas pipeline facility operator shall
27 replace any known cast iron pipelines installed as part of the

1 operator's underground system not later than December 31, 2021.

2 (e) Subsection (d) and this subsection expire September 1,
3 2023.

4 SECTION 3. The Railroad Commission of Texas shall adopt any
5 rules necessary to implement the changes in law made by this Act not
6 later than December 31, 2019.

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2019.