

By: Anchia, Turner of Tarrant,  
Turner of Dallas, González of Dallas,  
et al.

H.B. No. 866

Substitute the following for H.B. No. 866:

By: Paddie

C.S.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. In any proceeding to comply with the  
5 requirements of this Act, the Railroad Commission of Texas may not  
6 amend the requirements of 16 T.A.C. Section 8.209 as that rule  
7 exists on the effective date of this Act, except as required by  
8 Section 121.213(c)(2), Utilities Code, as added by this Act.

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