1-1 By: Anchia, et al. H.B. No. 866

1-2 1-3 (Senate Sponsor - Birdwell, Johnson) (In the Senate - Received from the House May 6, 2019; May 7, 2019, read first time and referred to Committee on Natural Resources & Economic Development; May 17, 2019, reported favorably by the following vote: Yeas 11, Nays 0; May 17, 2019, sent to 1-4 1-5 1-6 1-7 printer.)

1-8

COMMITTEE VOTE

| 1-9  |           | Yea | Nay | Absent | PNV |
|------|-----------|-----|-----|--------|-----|
| 1-10 | Birdwell  | Х   |     |        |     |
| 1-11 | Zaffirini | Х   |     |        |     |
| 1-12 | Fallon    | Х   |     |        |     |
| 1-13 | Flores    | Х   |     |        |     |
| 1-14 | Hancock   | Х   |     |        |     |
| 1-15 | Hinojosa  | Х   |     |        |     |
| 1-16 | Hughes    | Х   |     |        |     |
| 1-17 | Miles     | Х   |     |        |     |
| 1-18 | Paxton    | Х   |     |        |     |
| 1-19 | Powell    | Х   |     |        |     |
| 1-20 | Rodríguez | Х   |     |        |     |

## 1-21 1-22

## A BILL TO BE ENTITLED AN ACT

relating to the installation, removal, and replacement of certain 1-23 1-24 gas pipelines; clarifying changes to related administrative 1-25 penalties. 1-26

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

1-27 1-28 SECTION 1. Sections 121.206(a) and (d), Utilities Code, are amended to read as follows:

1-29 (a) The railroad commission may assess an administrative 1-30 penalty against a person who violates Section 121.201 or a safety 1-31 standard or other rule prescribed or adopted under this subchapter 1-32 [that section].

(d) The railroad commission by rule shall adopt guidelines to be used in determining the amount of a penalty under this 1-33 1-34 1-35 subchapter. The guidelines shall include a penalty calculation worksheet that specifies the typical penalty calculation violations, circumstances justifying enhancement of a penalty and the amount of the enhancement, and circumstances justifying a reduction in a penalty and the amount of the reduction. The 1-36 1-37 1-38 1-39 guidelines shall take into account: 1-40

(1) the person's history of previous violations of Section 121.201 or a safety standard or other rule prescribed or adopted under this subchapter [that section], including the number 1-41 1-42 1-43 of previous violations; 1-44

1-45 the seriousness of the violation and of any (2) 1-46 pollution resulting from the violation; 1-47 any hazard to the health or safety of the public; (3)

- 1-48 1-49
- the degree of culpability; (4)
- the demonstrated good faith of the person charged; (5)

1-50 and factor 1-51 (6) the commission other considers any 1-52 relevant.

1-53 SECTION 2. Subchapter E, Chapter 121, Utilities Code, is amended by adding Section 121.213 to read as follows: 1-54

Sec. 121.213. INSTALLATION, REMOVAL, AND REPLACEMENT OF CERTAIN PIPELINES. (a) In this section, "distribution gas pipeline facility" means a pipeline facility that distributes natural gas directly to end-use customers. 1-55 1-56 1-57 1-58

(b) A distribution gas pipeline facility operator may not install as part of the operator's underground system a cast iron, 1-59 1-60 wrought iron, or bare steel pipeline. 1-61

| 2-1<br>2-2<br>2-3              | H.B. No. 866<br>(c) The railroad commission by rule shall require the<br>operator of a distribution gas pipeline facility system to:<br>(1) develop and implement a risk-based program for the |
|--------------------------------|--|
| 2-4                            | removal or replacement of underground distribution gas pipeline  |
| 2-5                            | facilities; and  |
| 2-6                            | (2) annually remove or replace at least eight percent  |
| 2 <b>-</b> 7<br>2 <b>-</b> 8   | of underground distribution gas pipeline facilities posing the greatest risk in the system and identified for replacement under  |
| 2-9                            | the program.   |
| 2-10                           | (d) A distribution gas pipeline facility operator shall  |
| 2-11                           | replace any known cast iron pipelines installed as part of the   |
| 2-12<br>2-13                   | operator's underground system not later than December 31, 2021.  |
| 2-13                           | (e) Subsection (d) and this subsection expire September 1, 2023.   |
| 2-15                           | SECTION 3. The Railroad Commission of Texas shall adopt any  |
| 2-16                           | rules necessary to implement the changes in law made by this Act not   |
| 2 <b>-</b> 17<br>2 <b>-</b> 18 | later than December 31, 2019.  |
| 2-18                           | SECTION 4. This Act takes effect immediately if it receives<br>a vote of two-thirds of all the members elected to each house, as   |
| 2-20                           | provided by Section 39, Article III, Texas Constitution. If this   |
| 2-21                           | Act does not receive the vote necessary for immediate effect, this   |
| 2-22                           | Act takes effect September 1, 2019.  |

2-23

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