

SENATE AMENDMENTS

2nd Printing

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

H.B. No. 864

A BILL TO BE ENTITLED

1 AN ACT

2 relating to pipeline incidents; clarifying changes to related
3 administrative penalties.

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

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

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

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

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

23 (2) the seriousness of the violation and of any
24 pollution resulting from the violation;

- 1 (3) any hazard to the health or safety of the public;
2 (4) the degree of culpability;
3 (5) the demonstrated good faith of the person charged;
4 and
5 (6) any other factor the commission considers
6 relevant.

7 SECTION 2. Subchapter E, Chapter 121, Utilities Code, is
8 amended by adding Section 121.214 to read as follows:

9 Sec. 121.214. PIPELINE INCIDENT REPORTING AND RECORDS. (a)
10 In this section:

11 (1) "Distribution gas pipeline facility" means a
12 pipeline facility that distributes natural gas directly to end use
13 customers.

14 (2) "Pipeline incident" means an event involving a
15 release of gas from a pipeline that:

16 (A) under federal regulations, gives rise to a
17 duty of a distribution gas pipeline facility operator to report the
18 event to a federal agency; or

19 (B) results in one or more of the following
20 consequences:

21 (i) a death or a personal injury
22 necessitating in-patient hospitalization;

23 (ii) estimated property damage greater than
24 or equal to the greater of:

25 (a) \$50,000, including loss to the
26 operator, loss to others, or both, but excluding cost of gas lost;

27 or

1 (b) an amount under federal
2 regulations that gives rise to the duty of a distribution gas
3 pipeline facility operator to report the event to a federal agency;
4 or

5 (iii) unintentional estimated gas loss of
6 three million cubic feet or more.

7 (3) "State record" has the meaning assigned by Section
8 441.180, Government Code.

9 (b) The railroad commission by rule shall require a
10 distribution gas pipeline facility operator, after a pipeline
11 incident involving the operator's pipelines, to:

12 (1) notify the commission of the incident before the
13 expiration of one hour following the operator's discovery of the
14 incident; and

15 (2) provide the following information to the
16 commission:

17 (A) the pipeline operator's name and telephone
18 number;

19 (B) the location of the incident;

20 (C) the time of the incident;

21 (D) the fatalities and personal injuries caused
22 by the incident;

23 (E) the telephone number of the operator's
24 on-site person;

25 (F) the cost of gas lost;

26 (G) estimated property damage to the operator and
27 others;

1 (H) any other significant facts relevant to the
2 incident, including facts related to ignition, explosion,
3 rerouting of traffic, evacuation of a building, and media interest;
4 and

5 (I) other information required under federal
6 regulations to be provided to the Pipeline and Hazardous Materials
7 Safety Administration or a successor agency after a pipeline
8 incident or similar incident.

9 (c) The railroad commission shall retain state records of
10 the railroad commission regarding a pipeline incident perpetually.

11 SECTION 3. The Railroad Commission of Texas shall adopt the
12 rules required by Section 121.214, Utilities Code, as added by this
13 Act, not later than December 31, 2019.

14 SECTION 4. This Act takes effect September 1, 2019.

ADOPTED

MAY 20 2019

Debra Paul
Secretary of the Senate

By: *Simon Sidwell*

H.B. No. 964

Substitute the following for ___B. No. _____:

By: *Simon Sidwell*

C.S. ___B. No. _____

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24 pollution resulting from the violation;

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15 release of gas from a pipeline that:

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17 duty of a distribution gas pipeline facility operator to report the
18 event to a federal agency; or

19 (B) results in one or more of the following
20 consequences:

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22 necessitating in-patient hospitalization;

23 (ii) estimated property damage greater than
24 or equal to the greater of:

25 (a) \$50,000, including loss to the
26 operator, loss to others, or both, but excluding cost of gas lost;
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1 (b) an amount under federal
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17 operator's discovery of the incident:

18 (A) the pipeline operator's name and telephone
19 number;

20 (B) the location of the incident;

21 (C) the time of the incident; and

22 (D) the telephone number of the operator's
23 on-site person; and

24 (3) provide the following information to the
25 commission when the information is known by the operator:

26 (A) the fatalities and personal injuries caused
27 by the incident;

- 1 (B) the cost of gas lost;
2 (C) estimated property damage to the operator and
3 others;
4 (D) any other significant facts relevant to the
5 incident, including facts related to ignition, explosion,
6 rerouting of traffic, evacuation of a building, and media interest;
7 and
8 (E) other information required under federal
9 regulations to be provided to the Pipeline and Hazardous Materials
10 Safety Administration or a successor agency after a pipeline
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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB864** by Anchia (Relating to pipeline incidents; clarifying changes to related administrative penalties.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code related to pipeline incident reporting. The Railroad Commission indicates that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: WP, SD, TBo, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 16, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB864 by Anchia (Relating to pipeline incidents; clarifying changes to related administrative penalties.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code related to pipeline incident reporting. The Railroad Commission indicates that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: WP, TBo, SZ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 10, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB864 by Anchia (Relating to pipeline incidents; clarifying changes to related administrative penalties.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code related to pipeline incident reporting. The Railroad Commission indicates that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: WP, TBo, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

TO: Honorable Chris Paddie, Chair, House Committee on Energy Resources

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB864** by Anchia (Relating to pipeline incidents; clarifying changes to related administrative penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code related to pipeline incident reporting. The Railroad Commission indicates that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: WP, TBo, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 5, 2019

TO: Honorable Chris Paddie, Chair, House Committee on Energy Resources

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB864 by Anchia (Relating to pipeline incident reporting requirements for gas pipeline operators; clarifying changes to related administrative penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code related to pipeline incident reporting requirements for gas pipeline operators. The Railroad Commission indicates that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: WP, SZ, TBo