

House Bill 864
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

(d) The railroad commission by rule shall adopt guidelines to be used in determining the amount of a penalty under this subchapter. The guidelines shall include a penalty calculation worksheet that specifies the typical penalty for certain 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 guidelines shall take into account:

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

SECTION 2. Subchapter E, Chapter 121, Utilities Code, is amended by adding Section 121.214 to read as follows:
Sec. 121.214. PIPELINE INCIDENT REPORTING AND RECORDS. (a) In this section:

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Subchapter E, Chapter 121, Utilities Code, is amended by adding Section 121.214 to read as follows:
Sec. 121.214. PIPELINE INCIDENT REPORTING AND RECORDS. (a) In this section:

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

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

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

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

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

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

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

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

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

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

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

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

(2) provide the following information to the commission:

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

SENATE VERSION (CS)

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

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

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

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

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

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

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

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

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

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

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

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

(2) provide the following information to the commission before the expiration of one hour following the operator's discovery of the incident:

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

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- (B) the location of the incident;
- (C) the time of the incident;
- (D) the fatalities and personal injuries caused by the incident;
- (E) the telephone number of the operator's on-site person;

- (F) the cost of gas lost;
- (G) estimated property damage to the operator and others;
- (H) any other significant facts relevant to the incident, including facts related to ignition, explosion, rerouting of traffic, evacuation of a building, and media interest; and
- (I) other information required under federal regulations to be provided to the Pipeline and Hazardous Materials Safety Administration or a successor agency after a pipeline incident or similar incident.
- (c) The railroad commission shall retain state records of the railroad commission regarding a pipeline incident perpetually.

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

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

SENATE VERSION (CS)

- (B) the location of the incident;
- (C) the time of the incident; and

- D) the telephone number of the operator's on-site person; and
- (3) provide the following information to the commission when the information is known by the operator:
- (A) the fatalities and personal injuries caused by the incident;
- (B) the cost of gas lost;
- (C) estimated property damage to the operator and others;
- (D) any other significant facts relevant to the incident, including facts related to ignition, explosion, rerouting of traffic, evacuation of a building, and media interest; and
- (E) other information required under federal regulations to be provided to the Pipeline and Hazardous Materials Safety Administration or a successor agency after a pipeline incident or similar incident.
- (c) The railroad commission shall retain state records of the railroad commission regarding a pipeline incident perpetually.

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