

HB 2982 Workshop
Railroad Commission of Texas
Pipeline Safety Division

What is HB 2982?

- ▶ In the last session of the Texas Legislature, Representative Jim Keffer, Chairman of the House Energy Resources Committee, filed the bill in the House on March 7, 2013.
- ▶ It was passed by the House on May 9, 2013;
- ▶ passed by the Senate on May 20, 2013;
- ▶ signed by Governor Perry on June 14, 2013;
- ▶ and became effective on September 1, 2013.

What does HB 2982 do?

- ▶ Specifically, the bill amended the State laws delegating to the Railroad Commission the authority to regulate pipeline safety for intrastate pipelines.

for Hazardous Liquids and CO2

- In Texas Natural Resources Code, Chapter 117, which pertains to hazardous liquids and carbon dioxide pipelines, new language was added in Section 117.012(a):

Rules adopted under this subsection that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations must be based only on the risks the transportation and the facilities present to the public safety, except that the commission shall revise the rules as necessary to comply with Subsection (c) and to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts rules that include safety standards applicable to the transportation and facilities.

for Hazardous Liquids and CO2

- And language was removed in Section 117.012(b):

Rules that adopt safety standards do not apply to [movement of hazardous liquids or carbon dioxide through gathering lines in rural locations or] production, refining, or manufacturing facilities or storage or in-plant piping systems associated with any of those facilities.

for Gas

- Similarly, in Texas Utilities Code, Chapter 121, which pertains to gas, a new paragraph (8) was added in Section 121.201(a):

(8) by rule establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5:
(A) based only on the risks the facilities and activities present to the public safety, to the extent consistent with federal law, or
(B) as necessary to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.

In other words, the Commission is authorized to regulate transportation and gathering facilities in Class 1 and rural locations *based on risk*.

But . . .

Section 5 of House Bill 2982 restricts the scope of the Commission's activities until September 1, 2015.

Until September 1, 2015, the Commission can:
provide a process for the Commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety and to require an operator to submit a plan to remediate an accident, incident, threat, or complaint;

**Until September 1, 2015,
the Commission can:**
require reports necessary to allow the
Commission to investigate an
accident, an incident, a threat to
public safety, or a complaint related
to operational safety; or

**Until September 1, 2015,
the Commission can:**
require operators to provide information
to the commission that the commission
determines is necessary to determine the
risks presented to the public safety by the
transportation of gas, hazardous liquids,
and carbon dioxide and the gathering
pipelines and facilities in Class 1 and rural
locations.

**So where does that leave us?
Is there a rule?
If not, will there be a rule?
What will the rule require?**

So where does that leave us?

The Pipeline Safety Division inspectors will investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety on Class 1 and rural gathering pipelines and pipeline facilities.

So where does that leave us?

The Pipeline Safety Division *MAY* ask an operator to submit a plan to remediate an accident, incident, threat, or complaint; we have not routinely done this, but under Section 5 of HB 2982, we could.

So where does that leave us?

The Pipeline Safety Division may require operators to provide information to the Commission that the Commission determines is necessary to determine the risks presented to the public safety by the transportation of gas, hazardous liquids, and CO2 in Class 1 and rural locations.

Is there a rule?

No, not yet.

The Commission has not adopted or proposed a rule on the regulation of Class 1 and rural gathering pipelines and facilities.

Will there be a rule?

Almost certainly, yes.

But before the Commission can craft a rule, the Commission must be able to assess the risk presented by these Class 1 and rural gathering pipelines.

What will the rule require?

That's what the Commission has yet to determine.

The Commission's authority to regulate Class 1 and rural gathering is based on the risks presented to the public safety by the transportation of gas, hazardous liquids, and CO2 in Class 1 and rural locations.

How will risk be determined?

- ▶ One way the Commission could assess the risks presented to the public safety by the transportation of gas, hazardous liquids, and CO2 in Class 1 and rural locations is to evaluate failures on these facilities to see if there are patterns or predictors of failure.
- The problem with this approach is that there is no regulatory track record for these pipelines and facilities.

How will risk be determined?

- ▶ Another way to determine risk is to conduct a survey of operators of Class 1 and rural gathering pipelines and pipeline facilities.
- ▶ Generally, the information we would want to know would be:
 - the physical characteristics of the pipe, such as material, diameter, and the miles;
 - the operational characteristics, such as fluid type and pressure; and
 - the location of structures and population nearby.

Survey of Class 1 and Rural Gathering

- ▶ The survey is in DRAFT form only.
- ▶ Will be sent following the final workshop.
- ▶ The more information we have, the better we can evaluate the current status of Class 1 and rural gathering pipelines and pipeline facilities.
- ▶ This will make the risk assessment more accurate.



Questions?

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AN ACT

relating to the power of the Railroad Commission of Texas to adopt and enforce safety standards applicable to the transportation by pipeline of hazardous liquids, carbon dioxide, and natural gas in rural locations.

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

SECTION 1. The heading to Section 117.011, Natural Resources Code, is amended to read as follows:

Sec. 117.011. JURISDICTION UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 2. Sections 117.012(a), (b), and (h), Natural Resources Code, are amended to read as follows:

(a) The commission shall adopt rules that include safety standards [~~for and practices~~] applicable to the intrastate

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transportation of hazardous liquids or carbon dioxide by pipeline and intrastate hazardous liquid or carbon dioxide pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches. Rules adopted under this subsection that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations must be based only on the risks the transportation and the facilities present to the public safety, except that the commission shall revise the rules as necessary to comply with Subsection (c) and to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts rules that include safety standards applicable to the transportation and facilities.

(b) Rules that adopt safety standards do not apply to ~~[movement of hazardous liquids or carbon dioxide through gathering lines in rural locations or]~~ production, refining, or manufacturing facilities or storage or in-plant piping systems associated with any of those facilities.

(h) The commission shall require operators of hazardous liquid and carbon dioxide pipeline facilities or the ~~[their]~~ designated representatives of such operators to communicate and conduct liaison activities with fire, police, and other appropriate public emergency response officials. The liaison activities must be conducted by meetings in person except as provided by this section. An operator or the operator's representative may conduct required community liaison activities as provided by Subsection (i) only if the operator or the operator's representative has made an effort, by one of the following methods, to conduct a community liaison meeting in person with the officials:

- (1) mailing a written request for a meeting in person to

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the appropriate officials by certified mail, return receipt
requested;

(2) sending a request for a meeting in person to the
appropriate officials by facsimile transmission; or

(3) making one or more telephone calls or e-mail message
transmissions to the appropriate officials to request a meeting in
person.

SECTION 3. The heading to Section 121.201, Utilities Code, is
amended to read as follows:

Sec. 121.201. SAFETY RULES; [+] RAILROAD COMMISSION POWER
UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 4. Section 121.201(a), Utilities Code, is amended to
read as follows:

(a) The railroad commission may:

(1) by rule prescribe or adopt safety standards for the
transportation of gas and for gas pipeline facilities, including
safety standards related to the prevention of damage to such a

facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches;

(2) by rule require an operator that does not file operator organization information under Section 91.142, Natural Resources Code, to provide the information to the commission in the form of an application;

(3) by rule require record maintenance and reports;

(4) inspect records and facilities to determine compliance with safety standards prescribed or adopted under Subdivision (1);

(5) make certifications and reports from time to time;

(6) seek designation by the United States secretary of transportation as an agent to conduct safety inspections of interstate gas pipeline facilities located in this state; [and]

(7) by rule take any other requisite action in accordance with 49 U.S.C. Section 60101 et seq., or a succeeding

law; and

(8) by rule establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5:

(A) based only on the risks the facilities and activities present to the public safety, to the extent consistent with federal law; or

(B) as necessary to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.

SECTION 5. Before September 1, 2015, the Railroad Commission of Texas may implement the changes in law made by this Act to Chapter 117, Natural Resources Code, or Chapter 121, Utilities Code, or rules adopted under those chapters, as amended by this

Act, only:

(1) to provide a process for the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety and to require an operator to submit a plan to remediate an accident, incident, threat, or complaint;

(2) to require reports necessary to allow the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety; or

(3) to require operators to provide information to the commission that the commission determines is necessary to determine the risks presented to the public safety by:

(A) the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipeline facilities in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations; and

(B) gas gathering facilities and transportation

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activities in Class 1 locations, as defined by 49 C.F.R. Section
192.5.

SECTION 6. This Act takes effect September 1, 2013.

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President of the Senate

Speaker of the House

I certify that H.B. No. 2982 was passed by the House on May 8, 2013, by the following vote: Yeas 147, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2982 on May 22, 2013, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2982 on May 26, 2013, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

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I certify that H.B. No. 2982 was passed by the Senate, with amendments, on May 20, 2013, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2982 on May 26, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor

| | |
|--|------------------------------------|
| Operator Name as shown on P-5 _____ _____ | System Name or Other Identifier |
| P-5 No. _____ T-4 Permit No. _____ | |
| Total miles of pipe in system | |
| miles of steel | |
| miles of polyethylene | |
| miles of other (specify) _____ | |
| miles of other (specify) _____ | |
| miles of other (specify) _____ | |
| How do you determine whether this system is subject to regulation under 49 CFR Part 192 or 49 CFR Part 195? | |
| Class Location surveys? | |
| If yes, frequency | |
| Other actions? | |
| If yes, specify type of action | |
| If yes, frequency | |
| Do you conduct leak surveys on this system? (Y/N) | |
| If yes, frequency | |
| If yes with equipment, specify equipment type | |
| Do you have cathodic protection on this system? (Y/N) | |
| If yes, number of miles | |
| Do you patrol or conduct other surveillance of this system? (Y/N) | |
| If yes, frequency | |
| Do you have external corrosion control and/or monitoring on this system? (Y/N) | |
| If yes, frequency of inspection | |
| Do you have internal corrosion control and/or monitoring on this system? (Y/N) | |
| If yes, frequency of inspection | |
| Do you have atmospheric corrosion control and/or monitoring on this system? (Y/N) | |
| If yes, frequency of inspection | |

| Operator Name as shown on P-5 _____ _____ P-5 No. _____ T-4 Permit No. _____ | System Name or Other Identifier |
|--|------------------------------------|
| Has this system been subjected to pressure testing? (Y/N) | |
| Post-construction pressure testing? (Y/N) | |
| For integrity assessment? (Y/N) | |
| If yes, frequency | |
| Do you have an integrity assessment methodology other than pressure testing (Y/N) | |
| If yes, specify type | |
| If yes, frequency | |
| Do you have pressure limiting and regulating equipment on this system? (Y/N) | |
| If yes, frequency of inspection | |
| Do you conduct valve maintenance on this system? (Y/N) | |
| If yes, frequency of maintenance | |
| Do you have line markers on this system? (Y/N) | |
| For gas systems, is the gas odorized? (Y/N) | |
| If yes, indicate type of odorization | |
| If yes, indicate number of miles | |
| Do you have a Damage Prevention Program for this system? (Y/N) | |
| Are you a member of a notification center? (Y/N) | |
| Do you have a Chapter 18 program? (Y/N) | |
| Do you have and maintain emergency plans/procedures for this system? (Y/N) | |
| Do you conduct community and first responder liaison activities for this system? (Y/N) | |
| If yes, specify type of activity | |
| If yes, frequency of event | |
| Do you have a public awareness program for this system? (Y/N) | |
| If yes, specify type of activity | |

| | |
|--|------------------------------------|
| Operator Name as shown on P-5 _____ _____ | System Name or Other Identifier |
| P-5 No. _____ | |
| T-4 Permit No. _____ | |
| Please state the number of the following structures or areas that are within a quarter mile (1,320') of this system: | |
| Dwellings: | |
| Single-family house or duplex | |
| Apartment building (# of units) | |
| Mobile home park | |
| Other | |
| Public or Private Schools: | |
| Elementary | |
| Middle school | |
| High School | |
| Institution of higher education | |
| Other | |
| Care facilities: | |
| Day care center (infant, child or adult) | |
| Hospital | |
| Nursing home | |
| Other | |
| Recreational areas: | |
| Playground, park, campground, golf course, tennis court | |
| Stadium, arena, or race track | |
| Other | |
| Retail and commercial areas: | |
| Stand-alone store or strip mall shopping area | |
| Mall shopping center | |
| Office building | |
| Office complex | |
| Industrial complex | |
| If yes, specify type | |
| Other | |

| | |
|---|------------------------------------|
| Operator Name as shown on P-5 _____ _____ | System Name or Other Identifier |
| P-5 No. _____ | |
| T-4 Permit No. _____ | |
| Religious facilities: | |
| House of worship | |
| Religious compound or complex | |
| Other | |
| | |
| Prison | |
| | |
| Airport | |
| | |
| Agriculture-related structures | |
| Livestock barns | |
| Stables | |
| Chicken or poultry houses | |
| Feed lots | |
| Stockyards | |
| | |
| Other structures not listed above; please list by type | |
| | |
| For the following questions, the term "incident or accident" means a pipeline failure resulting in a loss of product | |
| Number of incidents or accidents in the last five years; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| | |
| Number of fatalities, if any, in incidents or accidents in the last five years; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| | |
| Number of injuries requiring overnight hospitalization, if any, in incidents or accidents in the last five years; please list by year | |

| | |
|---|------------------------------------|
| Operator Name as shown on P-5 _____ _____ | System Name or Other Identifier |
| P-5 No. _____ | |
| T-4 Permit No. _____ | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| Estimated cost of incidents or accidents, EXCLUDING cost of lost product; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| Estimated cost of incidents or accidents, INCLUDING cost of lost product; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| For the following questions, the term "excavation damage" means damage to a pipeline due to movement of earth in the vicinity of the pipeline, with or without loss of product | |
| Number of excavation damage events in the last five years; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| Estimated cost of excavation damage events, EXCLUDING cost of lost product; please list by year | |
| 2009 | |
| 2010 | |

| | |
|--|------------------------------------|
| Operator Name as shown on P-5 _____ _____ | |
| P-5 No. _____ | |
| T-4 Permit No. _____ | System Name or Other Identifier |
| 2011 | |
| 2012 | |
| 2013 | |
| Estimated cost of excavation damage events, INCLUDING cost of lost product; please list by year | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
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