

## **BILL ANALYSIS**

Senate Research Center  
83R22893 JXC-F

H.B. 2982  
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Natural Resources  
5/13/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Industry authorities explain that gathering lines run from a well site to a compressor station and other well sites and note that such lines located before the point of sale are not regulated and are not subject to construction specifications. Gathering lines can be located outside a municipality or within the city limits of a designated residential or commercial areas, and some concerns have been raised about the condition of many of these lines. For example, interested parties point out that a Class I gathering line in Eastland County was repurposed from crude to natural gas and that this line goes through Lakes Leon, which is the major source of water for Eastland County. As a result, the parties are concerned that the line is in poor condition and needs to be inspected.

H.B. 2982 amends current law 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.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Railroad Commission of Texas (railroad commission) in SECTION 2 (Section 117.012, Natural Resources Code), SECTION 4 (Section 121.201, Utilities Code), and SECTION 5 of this bill.

Rulemaking authority previously granted to the railroad commission is modified in SECTION 2 (Section 117.012, Natural Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Section 117.011, Natural Resources Code, to read as follows:

Sec. 117.011. JURISDICTION UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 2. Amends Sections 117.012(a), (b), and (h), Natural Resources Code, as follows:

(a) Requires the Railroad Commission of Texas (railroad commission) to adopt rules that include safety standards applicable, rather than include safety standards for and practices applicable, to the intrastate 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. Authorizes the railroad commission to adopt rules 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 based only on the risks the transportation and the facilities present to the public safety.

(b) Provides that rules that adopt safety standards do not apply to production, refining, or manufacturing facilities or storage or in-plant piping systems associated with any of those facilities, rather than provides that 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) Requires the railroad commission to require operators of hazardous liquid and carbon dioxide pipeline facilities or the designated representatives of such operators to communicate and conduct liaison activities with fire, police, and other appropriate public emergency response officials. Makes a nonsubstantive change.

SECTION 3. Amends the heading to Section 121.201, Utilities Code, to read as follows:

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

SECTION 4. Amends Section 121.201, Utilities Code, by adding Subsection (f), as follows:

(f) Authorizes the railroad commission by rule, to the extent consistent with federal law, to 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, based on the risks the facilities and activities present to the public safety.

SECTION 5. Requires the railroad commission, before December 1, 2013, to adopt rules to implement the changes in law made by this Act to Chapter 117 (Hazardous Liquid or Carbon Dioxide Pipeline Transportation Industry), Natural Resources Code, and Chapter 121 (Gas Pipelines), Utilities Code.

SECTION 6. Authorizes the railroad commission, before September 1, 2015, to 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 to require operators to make reports to the railroad commission, including telephonic reports, the railroad commission determines are necessary to investigate accidents, leaks, incidents, or complaints.

SECTION 7. Effective date: September 1, 2013.