

Railroad Commission of Texas

Notice of Public Workshop regarding creation of a pipeline safety and regulatory fee, pursuant to the Commission's Sunset Bill, House Bill 1818 (HB 1818, 85th Legislature, Regular Session, 2017). The workshop is scheduled for Tuesday, November 28, 2017, from 1:30 p.m. to 3:30 p.m. (or earlier adjournment) in Room 1-100 of the Railroad Commission's office at the William B. Travis Building, located at 1701 N. Congress Avenue, Austin, Texas 78711.

HB 1818 amended §81.071 of the Natural Resources Code to authorize the Commission to establish pipeline safety and regulatory fees for permits or registrations for pipelines under the Commission's jurisdiction. Fee amounts should be sufficient to support the Commission's pipeline safety and regulatory program costs including permitting or registration costs, administrative costs, and salary costs.

Any interested person may appear and offer comments or statements, either orally or in writing; however, questioning of commenters will be reserved exclusively to Commission staff as may be necessary to ensure a complete record. The workshop will be live webcast accessible through the following link: <http://adminmonitor.com/tx/rrc/workshop/20171128/>.

If you wish to offer comments remotely, please email your comments to rulescoordinator@rrc.texas.gov by 11 a.m. on November 28th. Comments received by the deadline will be read aloud at the workshop.

Commission staff seeks comments on the following topics, which are under consideration as amendments to 16 Texas Administrative Code §3.70, in order to implement HB 1818:

- I. Method of calculating an annual pipeline safety and regulatory fee.
 - A. Fixed dollar amount per mile of pipe permitted to an operator on a set date each year; or
 - B. Variable dollar amount per mile of pipe permitted to an operator, with increasing dollar amounts for pipes of larger diameter; or
 - C. Another annual fee calculation method.
- II. A process to reconcile the actual amount collected to the amount appropriated and to make any necessary adjustments when setting the fee amount for the following year.
- III. Reasonable fees for late payment of annual fee, late annual renewal of pipeline permit, or other failure to meet rule deadlines.

Commission staff also seeks comments on the following, which are under consideration as additional amendments to 16 Texas Administrative Code §3.70:

- I. Create a fixed 30-day review period for pipeline permit applications. Currently Commission staff has 15 days to determine whether an application is complete and, once staff makes that determination, 45 days to issue, amend, cancel, or deny the application as filed. The amendment would require Commission staff to act (issue, amend, etc.) within 30 days of receiving a complete application.
- II. Streamline pipeline transfer process. The current rule does not address transfers.
 - A. Operator must file notification of transfer at least 30 days prior to transfer.
 - B. Commission may accept executed T-4B as notification of transfer, and may use the executed T-4B to assign the pipe to the new operator (transferee) for purposes of calculating the annual fee. Currently, Commission staff cannot perform work to recognize a transfer until both parties submit an amended T-4.

- C. Transferee's failure to amend its T-4 to reflect the transfer may result in a penalty for operating the newly obtained pipeline without a permit.
 - D. Additional input on how the Commission could expedite transfers.
- III. All operators must file pipeline permit applications via the Commission's online filing system. Currently this is not mandatory.

Note that while any person with pertinent comments will be given an opportunity to present them during the workshop, the Commission may limit the time each person may speak to ensure all have a fair opportunity to speak, and may further restrict statements in terms of repetitive content. Organizations, associations, or groups are encouraged to present commonly-held views or similar comments through a representative member when possible.

For more information about the workshop, please contact Haley Cochran, in the Office of General Counsel, at (512) 463-5573 or Kari French, Director of the Oversight and Safety Division, at (512) 463-8559.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who plans to attend this hearing and who requires auxiliary aides or services should notify the Commission as far in advance as possible so that appropriate arrangements can be made. Requests may be made to the Human Resources Department of the Railroad Commission of Texas by mail at P.O. Box 12967, Austin, Texas 78711-2967; by telephone at (512) 463-6981 or TTD Number (512) 463-7284; by email at ADA@rrc.texas.gov; or in person at 1701 N. Congress Avenue, Suite 12-110, Austin, Texas.