BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT RULEMAKING OF THE OKLAHOMA CORPORATION COMMISSION AMENDING OAC 165:20, GAS & HAZARDOUS LIQUID PIPELINE SAFETY

CAUSE NO. RM 201900010

RULE IMPACT STATEMENT

Pursuant to 75 O.S. § 303(D) of the Oklahoma Administrative Procedures Act, the Transportation Division of the Oklahoma Corporation Commission ("Commission") submits the following Rule Impact Statement for its proposed rules regarding Title 165, Chapter 20 of the Oklahoma Administrative Code ("OAC").

I. Brief description of the purpose of the proposed rules:

The purpose of the proposed rules is to update references to the Federal Pipeline Safety Regulations found in 49 C.F.R. §§ 191, 192, 195, and 199. The proposed rules also incorporate statutory changes in 63 O.S. § 2011 that the Oklahoma Legislature passed during the 2019 legislative session related to the definition of the word "Excavation" and relating to the Oklahoma One-Call System. The proposed rules further clarify the Commission's role in enforcing the Underground Natural Storage Facility Act.

II. Description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities:

The persons most likely to be affected by the proposed rules are the operators of pipelines that transport natural gas and hazardous liquids, and the operators of underground natural gas storage facilities. Further, in its Notice of Proposed Rulemaking, the Transportation Division invited public comment and requested business entities which may be impacted by the proposed rules to provide written comments stating such cost impacts. No information regarding any cost impacts has been received from any private or public entity, to date.

III. Classes of persons who will benefit from the proposed rules:

The persons benefiting from the proposed rules are regulated entities that operate pipelines transporting natural gas, hazardous liquids or underground natural gas storage facilities, and the general public.
IV. Description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing of all fee changes and, whenever possible, a separate justification for each fee change:

The Transportation Division does not believe there will be any economic impact upon affected classes of persons or political subdivisions. The proposed rules do not propose any fee changes. The proposed rules simply clarify already existing state and federal obligations.

V. Probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

It is not anticipated that there will be additional costs to the Commission. The proposed rules should have no effect, either negative or positive on any other agency. The proposed rules contain no new or adjusted fee. There is no anticipated effect on state revenue.

VI. Determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule:

It is not anticipated that implementation and enforcement of the proposed rules will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rules.

VII. Determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

It is not anticipated that the proposed rules will have an adverse economic effect on small businesses. In its Notice of Proposed Rulemaking, the Transportation Division invited business entities to submit comments describing the potential cost impacts of the proposed rules. No information regarding any potential cost impacts has been received, to date.

VIII. Explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule:

The proposed rules do not increase compliance costs, and there are no nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rules.
IX. Determination of the effect of the proposed rule on the public health, safety and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk:

   It is anticipated that the proposed rules will not have an adverse effect on the public health, safety, and environment. The proposed rules bring Oklahoma regulations in alignment with already existing federal obligations that were designed to reduce risk related to the transportation of natural gas and hazardous liquids.

X. Determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented:

   It is anticipated that there will be no detrimental effect on the public health, safety, and environment if the proposed rules are not implemented.

XI. Date of preparation of Rule Impact Statement:

   This Rule Impact Statement was prepared on the 6th day of February, 2020.

Prepared by:

[Signature]

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