

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 201800020

FILED
JAN 04 2019

RULE IMPACT STATEMENT

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

Pursuant to Title 75, Section 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 the adoption dates of the Code of Federal Regulations; the Oklahoma Underground Facilities Damage Prevention Act; remove obsolete and dated rules; correct spelling errors; add online links for reporting accidents/incidents/excavation damages; add rules for positive notification of facilities for excavators; and add semi-annual reporting requirements of excavation damage.

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

Those affected by the proposed rules are the operators and excavators who are subject to the Commission pipeline safety authority. Operators will be required to report all excavation damages occurring to their pipeline systems. The reporting will be in the form of electronic and semi-annual reports. It is the opinion of the Commission's staff that the proposed rules will not have an economic impact, as pipeline operators are already collecting the necessary data and reporting some of the data to the Commission. The proposed rules will change the timing of when data is collected.

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

Those benefitting by the proposed rules are the operators, excavators and citizens of the State of Oklahoma. The rules will allow the Transportation Division to better evaluate the effectiveness of the Oklahoma Underground Facilities Damage Prevention Act; enforce the current regulations found in the Code of Federal Regulations; and investigate incidents/accidents/excavation damages.

IV. Description of the probable economic impact of the proposed rules upon affected classes of persons or political subdivisions, including a listing of all fee changes and justification for each fee change:

It is the Commission staff's opinion that the proposed rules will have no economic impact, as the pipeline operators are already subject to the Code of Federal Regulations and the Oklahoma Underground Facilities Damage Prevention Act as well as the statutory requirement to report incidents/accidents/excavation damages.

V. Probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rules, the source of revenue to be used for implementation and enforcement of the proposed rules, and any anticipated effect on state revenues:

The proposed rules are not expected to place any additional costs upon the Commission, as such rules will be implemented and enforced by the Commission through its existing resources and personnel.

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

Implementation and enforcement of the proposed rules will not have an economic impact on any political subdivision or require their cooperation in implementing or enforcing the rules.

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

It is the Commission staff's opinion that the proposed rules will not have an adverse economic effect on small business. Pipeline operators impacted by the rule amendments will benefit for the efficiencies derived from the proposed changes. In its Notice of Proposed Rulemaking, the Commission invited business entities to submit input regarding the potential impact of the proposed rules.

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

The proposed rules do not increase compliance costs, and there are no non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules.

IX. Determination of the effect of the proposed rules on the public health, safety and environment and, if the proposed rules are 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 rules will reduce the risk:

It is anticipated that the proposed rules will not have an adverse effect on the public health, safety and environment. It is anticipated that the proposed rules will allow for the better oversight of pipeline operations, which will reduce the number of incidents/accidents/excavator damages which in turn will reduce the impact to public health, safety and environment.

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

A detrimental effect on pipeline operations and public safety will occur by the confusion of antiquated rules, evaluation of pipeline operations and enforcement that conflict with state statutes and the Code of Federal Regulations.

XI. Date of preparation of Rule Impact Statement:

This Rule Impact Statement was prepared on the 4th day of January, 2019.

Prepared by:

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