

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

IN THE MATTER OF A PERMANENT)
RULEMAKING OF THE OKLAHOMA)
CORPORATION COMMISSION AMENDING) **CAUSE NO. RM 201800008**
OAC 165:29, CORRECTIVE ACTION OF)
PETROLEUM STORAGE TANK)
RELEASES)

RULE IMPACT STATEMENT

This Rule Impact Statement addresses proposed amendments to the Oklahoma Corporation Commission's ("Commission") proposed rules to amend OAC 165:29 *et seq.*, Corrective Action of Petroleum Storage Tank Releases rules for Petroleum Storage Tanks. This Rule Impact Statement has been prepared in substantial compliance to 75 O.S. 2013, Section 303(D).

I. PURPOSE OF RULE PROPOSALS

The proposed changes, amendments, additions and revocations include: update terminology consistent with statute; clarify the authority and approval of Oklahoma's storage tank program; correct the name of the Oklahoma Petroleum Storage Tank Consolidation Act; update the standards to current edition; add a method to report a release; move the language regarding penalties for licensee violations to a new rule to be consistent with other rule chapters; establish a disciplinary policy; establish penalties for licensees; and make grammatical corrections.

II. CLASSES OF PERSONS WHO WILL MOST LIKELY BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES WHICH WILL BEAR THE COST OF THE PROPOSED RULES, AND INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES

The classes of those affected include owners and operators of regulated storage tank systems. The classes affected will bear the cost, if any, of this proposed rule.

The Commission in its Notice of Proposed Rulemaking has requested that business entities that are expected to incur an increase in the level of costs as a result of compliance with the proposed rulemaking provide written comments stating cost impact information to the Commission. All registered storage tank owners and Commission licensed environmental consultants who subscribed to the Commission's GovDelivery email distribution service were advised of the Notice of Proposed Rulemaking. As of the date of preparation of this Rule Impact Statement, the Commission has received no cost impact statements from any private or public entity. If any such comments are received by the Commission, they will be considered by Staff at the technical conferences on November 7, 2018, and December 5, 2018, and by the Commission *en banc* at the public hearing on January 15, 2019.

III. CLASSES OF PERSONS BENEFITING FROM THE PROPOSED RULE

The classes benefiting from the amendments include regulated entities, owners and operators of regulated storage tank systems and Commission licensed environmental consultants doing business within the state.

IV. PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS, INCLUDING ALL FEE CHANGES WITH JUSTIFICATION

It is anticipated that there will be no adverse economic impact upon the affected parties. The proposed amendments will not adversely impact other political subdivisions of the state.

The economic impact of the implementation of these proposed rules will be the continued effectiveness of regulation. The Commission does not consider the proposed rules to have any substantial adverse effect on small business; and as such, the rulemaking will comply with the requirements of the Oklahoma Small Business Regulatory Flexibility Act of 2002, 75 O.S. 2002 Supp., Section 501 *et seq.*

V. IMPACT ON SMALL BUSINESS

Pursuant to 75 O.S. 2002 Supp., Section 303(D)(2)(g), the Commission has reviewed the possible and potential economic impact of the proposed rule amendments according to the requirements of the Oklahoma Small Business Regulatory Flexibility Act of 2002, 75 O.S. 2002 Supp., Section 501 *et seq.* There should be no adverse impact on small businesses in the State of Oklahoma.

VI. PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY TO IMPLEMENT AND ENFORCE 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, INCLUDING A NET LOSS OR GAIN IN SUCH REVENUES IF IT CAN BE PROJECTED BY THE AGENCY

The Commission anticipates that its current staff is adequate in both number and training to implement the proposed rules, and that there will be no immediate increase in agency expenses as a result of the amendments.

Federal, state or local agencies or jurisdictions that by law enforce their own regulatory authority over storage tank systems concurrently with the Commission, including but not limited to municipalities, the Environmental Protection Agency, rural fire districts or the Fire Marshal, will not in any way enforce or implement the proposed amendments. Accordingly, there will be no cost to them.

VII. ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR COOPERATION OF ANY POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE THE RULES

Political subdivisions, (as defined in 75 O.S. 1998 Supp., Section 250.3), that maintain regulated storage tank systems will have to comply with the proposed rules.

No cooperation of any political subdivision is required to enforce or implement the proposed rules.

VIII. MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND LESS COSTLY OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSES OF THE PROPOSED RULES

There are no less costly or less intrusive methods for achieving the purpose of the proposed rules.

IX. EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH AND SAFETY AND THE ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH AND SAFETY AND THE ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK

The proposed rules embody the statutory charge of the Petroleum Storage Tank Division to protect the human health, safety, and the environment, and in the proposed form, do so without burden to those regulated.

X. CONFORMANCE WITH FEDERAL STANDARDS

These proposed rules conform to federal standards including but not limited to the following: National Fire Protection Association Standards, American Petroleum Institute Standards, National Association of Corrosion Engineers Standards, Underwriter's Laboratory Standards, Petroleum Equipment Institute PEI/RP 100, Steel Tank Institute F894, ACT-100, Factory Mutual 1920, National Leak Prevention Association Standard 631, National Groundwater Association, American Society for Testing and Materials, U.S. Environmental Protection Agency Office of Water, and are thus no more stringent than federal requirements.

XI. RISK IF NOT IMPLEMENTED

If the proposed rules are not implemented, a direct threat to human health, safety, the environment, and state economy is possible.

XII. DATE

This Rule Impact Statement was prepared on the 29th day of October, 2018.

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