

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

Person  
Preparing  
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Phone: 225-342-7889 Office: Conservation

Return  
Address: Executive Division Rule  
P.O. Box 94275 Title: General Operations,  
Baton Rouge, LA 70804-9275 LAC 43:XIX and LAC 33  
Part V Subpart 3

Date Rule Takes Effect: Upon Promulgation

SUMMARY  
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed rule changes are not anticipated to have any implementation costs to the state or local governmental units at this time. The proposed rule changes include additional requirements for direct assessment for Hazardous Liquid operators, excess flow valve (EFV) requirements, manual service line shut-off valve requirements, pressure regulating / over pressure protection changes, and enhanced rules for inspection of break out tanks. The proposed rule changes are required as a part of the Department of Natural Resources certification agreement with the US Department of Transportation and it is anticipated the Office of Conservation will be able to be enforce these regulations using existing staff.

However, the addition of "Subpart 5. Liquefied Natural Gas Facilities" may require additional staff at some unknown time in the future. Currently, only one intrastate liquefied natural gas facility is proposed and can be inspected using the Office of Conservation's current staff. In the event additional intrastate natural gas facilities are constructed in the future, DNR may require additional staff. These costs are anticipated to be offset by inspection fees for the new operators and federal reimbursements.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

There is no immediate anticipated effect on revenue collections of state and local government units. In the event additional intrastate natural gas facilities are constructed in the future, DNR will collect additional inspection fees that will be used to offset costs incurred by DNR.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)**

The proposed rule changes implement federal regulations that will directly impact regulated pipeline operators and liquefied natural gas operators. These changes have already been implemented by pipeline and liquefied natural gas operators; therefore, the proposed rule changes are not anticipated to have an immediate economic impact to the regulated community. However, to the extent additional liquefied natural gas facilities are constructed in the future, these operators will owe inspection fees to DNR in addition to any other expenses associated with the construction of these facilities.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

The proposed rule change will have no effect on competition and employment.

\_\_\_\_\_  
Signature of Agency Head or Designee

Gary P. Ross, Deputy Commissioner of  
Conservation

\_\_\_\_\_  
Typed Name & Title of Agency Head or Designee

\_\_\_\_\_  
Legislative Fiscal Officer or Designee

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

Liquefied Natural Gas rules, changes to documents that are incorporated by reference, excess flow valve (EFV) rule, manual service line shut-off valves rule, pressure regulating / over pressure protection changes, National Pipeline Mapping System requirements for Hazardous Liquid operators, enhanced rules for inspection of break out tanks, and additional requirements for direct assessment for Hazardous Liquid operators.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The proposed rule seeks to implement Parts 191, 192, 193, and 40 of Title 49 of the Code of Federal Regulations.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No. The proposed rule change will not result in any increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ NO. If no, provide justification as to why this rule change should be published at this time

**FISCAL AND ECONOMIC IMPACT STATEMENT**

**WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

<b>COSTS</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
Personal Services	\$ 0.00	\$ 0.00	\$ 0.00
Operating Expenses	\$ 0.00	\$ 0.00	\$ 0.00
Professional Services	\$ 0.00	\$ 0.00	\$ 0.00
Other Charges	\$ 0.00	\$ 0.00	\$ 0.00
Equipment	\$ 0.00	\$ 0.00	\$ 0.00
Major Repairs & Constr.	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>POSITIONS (#)</b>	<b>0</b>	<b>0</b>	<b>0</b>

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

Not applicable. There are no costs or savings to State Agencies resulting from the proposed actions.

3. Sources of funding for implementing the proposed rule or rule change.

<b>SOURCE</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
State General Fund	\$ 0.00	\$ 0.00	\$ 0.00
Agency Self-Generated	\$ 0.00	\$ 0.00	\$ 0.00
Dedicated	\$ 0.00	\$ 0.00	\$ 0.00
Federal Funds	\$ 0.00	\$ 0.00	\$ 0.00
Other (Specify)	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, although the federal rules are being adopted as state regulations at the state level, they are already being implemented by existing state staff and equipment.

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed rule amendment is not anticipated to result in costs or savings to local government units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

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**WORKSHEET**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

<b>REVENUE INCREASE/DECREASE</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
State General Fund	\$ 0.00	\$ 0.00	\$ 0.00
Agency Self-Generated	\$ 0.00	\$ 0.00	\$ 0.00
Dedicated Funds*	\$ 0.00	\$ 0.00	\$ 0.00
Federal Funds	\$ 0.00	\$ 0.00	\$ 0.00
Local Funds	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

There is no anticipated effect on revenue collections of state and local government units.

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS**

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The group directly affected by these rules changes will be regulated pipeline operators and liquefied natural gas operators. All regulations adopted are federal regulations which must be complied with whether the state adopts them or not; therefore, there should be no economic impact to the regulated community.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

There is no anticipated impacts on receipts and/or income resulting from this rule or rule change to these groups.

**IV. EFFECTS ON COMPETITION AND EMPLOYMENT**

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There are no anticipated effects on competition and employment resulting from the proposed rule change.