

SUBJECT: Eliminating Railroad Commission's annual gas utility report

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 6 ayes — West, Farabee, E. Jones, Canales, Crabb, B. Keffer
0 nays
1 absent — Delisi

WITNESSES: None

BACKGROUND: Utilities Code, sec. 121.156 requires the Texas Railroad Commission (TRC) to submit an annual report to the governor on TRC's proceedings with respect to natural gas utilities. The report must include the receipts and sources of gross income taxes and the nature of expenditures on gas utility regulation; names, titles, duties, and salaries of all employees involved in gas regulation; and a statement of travel and other expenses incurred. The governor must send the report to the Legislature after receiving it.

DIGEST: HB 1193 would repeal Utilities Code, sec. 121.156.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

SUPPORTERS SAY: HB 1193 would eliminate a report that no longer serves the purpose for which it was intended. When the Legislature first authorized TRC to regulate the sale and transportation of natural gas in 1920, these functions were funded through a gross receipts tax on gas utilities in the state. Because the fund was reimbursed directly by utilities, a detailed report was necessary to ensure transparency of the commission's expenditures. However, this report became unnecessary in 1981 after the 67th Legislature shifted both payment of the gas utilities tax and expenditures for gas regulation into TRC's general revenue appropriation. The link between the gas utilities fund and gas regulation that originally made the report necessary no longer exists, and HB 1193 would delete this out-of-date requirement.

The gas utility report is a burdensome nuisance that requires the TRC to dedicate its limited resources to a redundant exercise. Because all information included in the gas utility report also is available through other statistical and financial reports and is approved through the biennial appropriations process, a separate report is unnecessary.

TRC has several dozen employees who work in this area, and detailing their individual expenses has become very complicated. If the report served any useful purpose, the effort expended to create the report might be justified.

OPPONENTS
SAY:

No apparent opposition.