

## **BILL ANALYSIS**

Senate Research Center  
80R12294 TAD-D

H.B. 2174  
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Natural Resources  
5/11/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Railroad Commission of Texas has statutory responsibility for licensing and permitting pipelines in Texas. This bill creates a specific category of non-gas utility pipelines that is limited only to those pipelines which are used solely to serve a liquefied natural gas marine terminal or transport the gas from the marine terminal to the owners of the gas or underground storage facility.

Currently, natural gas pipelines are classified as either gas utilities or non-utility gatherers. However, the liquefied natural gas marine terminal does not engage in any commercial transactions which need to be regulated as utility transactions. The pipeline does not engage in any commercial transactions which need to be regulated as utility transactions.

H.B. 2174 clarifies that the intrastate pipeline and storage facilities for liquefied natural gas utilities, but must be built to all state and federal safety requirements. The bill creates a specific category of non-gas utility pipelines which is limited only to those pipelines that are used solely to serve liquefied natural gas marine terminals or that take the gas from the marine terminal to the owners of the gas or underground storage facility. The bill also specifies that the power of eminent domain is not conferred to a pipeline or underground storage facility excluded as a gas utility.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 101.003(7), Utilities Code, to redefine "gas utility."

SECTION 2. Amends Subchapter A, Chapter 121, Utilities Code, by adding Section 121.007, as follows:

Sec. 121.007. TRANSPORTATION OF GAS TO AND FROM LIQUEFIED NATURAL GAS MARINE TERMINAL EXCLUDED. (a) Provides that a person operating a natural gas pipeline, a liquefied natural gas pipeline, or an underground storage facility is not a gas utility if the person certifies to the Railroad Commission of Texas that the person uses the pipeline or underground storage facility solely to deliver natural gas or liquefied gas to a liquefied natural gas marine terminal, from a liquefied natural gas marine terminal to the owner of the gas or another person on behalf of the owner of the gas, or that is acquired or sold by the person as necessary for the operation or maintenance of its facility that is excluded as a gas utility under this section.

(b) Provides that this section does not confer the power of eminent domain to a pipeline or underground storage facility excluded as a gas utility under this section.

SECTION 3. Effective date: upon passage or September 1, 2007.