

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1883
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Natural Resources
5/14/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, most entities engaged in the transportation and gathering of natural gas within Texas are not regulated like their counterparts in the interstate system. Intrastate pipelines in Texas are allowed to claim an exemption from utility status, reporting, and other requirements by self-certifying to the Railroad Commission of Texas (commission) that they meet the criteria for the gathering exemption. Most pipelines claim this exemption and there is speculation that some may not be eligible for the exemption.

This bill authorizes the commission to review a certification made by a person who transports natural or synthetic gas and, after notice and opportunity for a hearing, to determine whether the person is eligible for an exemption from provisions applicable to a gas utility.

C.S.H.B. 1883 relates to the status of certain transporters of natural or synthetic gas and liquefied natural gas marine terminals as gas utilities.

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 121.005, Utilities Code, by adding Subsection (d), to authorize the Railroad Commission of Texas (commission) to review a certification made by a person under Subsection (a) (relating to a person who transports natural or synthetic gas solely to certain areas or persons). Requires the commission to invite a person whose certification is being reviewed to an informal meeting to resolve the person's status under this subsection. Requires the commission, if the person's status remains unresolved after the informal meeting and there is sufficient reason to move forward, to provide notice and an opportunity for a hearing. Authorizes the commission, after notice and an opportunity for a hearing, to determine whether the person is eligible for an exemption under this subsection.

SECTION 2. Amends Section 121.007(a), Utilities Code, to provide 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 commission that the person uses the pipeline or underground storage facility solely to deliver natural gas or liquefied natural gas or the constituents of natural gas or liquefied natural gas that is acquired, liquefied, 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, or that has been stored for export.

SECTION 3. Effective date: September 1, 2009.