

BILL ANALYSIS

Senate Research Center

S.B. 1754
By: Estes
Natural Resources
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As Filed

DIGEST AND PURPOSE

Under current law, rules of the Railroad Commission (RRC) require pipeline operators to implement a set of complex and expensive pipeline integrity assessment and testing protocols for high pressure pipelines and pipelines in populated areas. Testing is not required by RRC on gathering or flow lines in rural areas, because gathering and flow lines in rural unpopulated areas do not pose an apparent threat to public safety and the implementation cost of the assessment and testing requirements could result in the premature abandonment of oil and gas production leading to a loss of energy reserves and severance tax revenue. However, RRC could impose these requirements upon gathering and flow lines in rural unpopulated areas. As proposed, S.B. 1754 exempts rural gathering and flow lines from certain testing.

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 118.002, Natural Resources Code, as follows:

Sec. 118.002. PIPELINES FOR WHICH PLAN MAY BE REQUIRED. (a) Authorizes the rules adopted under this chapter, except as provided in Subsection (b), to apply to interstate pipelines, intrastate pipelines, portions of pipeline systems the regulation of which the federal government has temporarily delegated to the Railroad Commission of Texas, or gathering lines, and to pipelines for the transportation of any substance or material under the jurisdiction of the commission, as specified by the commission.

(b) Provides that exempted from the application of this chapter are gathering lines outside the limits of an incorporated or unincorporated city or village and of any designated residential or commercial area such as residential subdivisions, businesses or shopping centers, or community development.

SECTION 2. Effective date: upon passage or September 1, 2003.