

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable George "Buddy" West, Chair, House Committee on Energy Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1575 by Ritter (Relating to cost based transportation rates for natural gas.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 104.2545 of the Utilities Code, relating to natural gas transportation rates negotiated between the Texas General Land Office (GLO) and a gas utility or a municipal utility.

The bill would require utilities to offer transportation services to the GLO's in-kind gas program. The bill would expand the current requirements for service between the GLO and school districts to include other customers defined as public retail customers in the Utilities Code. Public retail customers would include a retail customer that is an agency of this state, a state institution of higher education, a public school district, or a political subdivision.

The bill would require the Railroad Commission of Texas (RRC) to establish a transportation rate if the GLO and the utility were unable to agree upon a reasonable rate.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Local Government Impact

Costs to local governments to implement the provisions of the bill would depend upon how many choose to request service from a gas utility or a municipally owned utility. This may reduce utility costs to those local governments.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 455 Railroad Commission

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