

1-1 By: Bonnen (Senate Sponsor - Janek) H.B. No. 2174
1-2 (In the Senate - Received from the House April 23, 2007;
1-3 April 24, 2007, read first time and referred to Committee on
1-4 Natural Resources; May 16, 2007, reported favorably by the
1-5 following vote: Yeas 10, Nays 0; May 16, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to excluding the transportation of gas to and from a
1-9 liquefied natural gas marine terminal from being considered a gas
1-10 utility.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 101.003(7), Utilities Code, is amended
1-13 to read as follows:

1-14 (7) "Gas utility" includes a person or river authority
1-15 that owns or operates for compensation in this state equipment or
1-16 facilities to transmit or distribute combustible hydrocarbon
1-17 natural gas or synthetic natural gas for sale or resale in a manner
1-18 not subject to the jurisdiction of the Federal Energy Regulatory
1-19 Commission under the Natural Gas Act (15 U.S.C. Section 717 et
1-20 seq.). The term includes a lessee, trustee, or receiver of a gas
1-21 utility. The term does not include:

1-22 (A) a municipal corporation;

1-23 (B) a person or river authority to the extent the
1-24 person or river authority:

1-25 (i) produces, gathers, transports, or sells
1-26 natural gas or synthetic natural gas under Section 121.004 or
1-27 121.005;

1-28 (ii) distributes or sells liquefied
1-29 petroleum gas; or

1-30 (iii) transports, delivers, or sells
1-31 natural gas for fuel for irrigation wells or any other direct
1-32 agricultural use;

1-33 (C) a person to the extent the person:

1-34 (i) sells natural gas for use as vehicle
1-35 fuel;

1-36 (ii) sells natural gas to a person who later
1-37 sells the natural gas for use as vehicle fuel; or

1-38 (iii) owns or operates equipment or
1-39 facilities to sell or transport natural gas for ultimate use as
1-40 vehicle fuel; ~~or~~

1-41 (D) a person not otherwise a gas utility who
1-42 furnishes gas or gas service only to itself, its employees, or its
1-43 tenants as an incident of employment or tenancy, if the gas or gas
1-44 service is not resold to or used by others; or

1-45 (E) a person excluded from being considered a gas
1-46 utility under Section 121.007.

1-47 SECTION 2. Subchapter A, Chapter 121, Utilities Code, is
1-48 amended by adding Section 121.007 to read as follows:

1-49 Sec. 121.007. TRANSPORTATION OF GAS TO AND FROM LIQUEFIED
1-50 NATURAL GAS MARINE TERMINAL EXCLUDED. (a) A person operating a
1-51 natural gas pipeline, a liquefied natural gas pipeline, or an
1-52 underground storage facility is not a gas utility if the person
1-53 certifies to the railroad commission that the person uses the
1-54 pipeline or underground storage facility solely to deliver natural
1-55 gas or liquefied natural gas:

1-56 (1) to a liquefied natural gas marine terminal;

1-57 (2) from a liquefied natural gas marine terminal to
1-58 the owner of the gas or another person on behalf of the owner of the
1-59 gas; or

1-60 (3) that is acquired or sold by the person as necessary
1-61 for the operation or maintenance of its facility that is excluded as
1-62 a gas utility under this section.

1-63 (b) This section does not confer the power of eminent domain
1-64 to a pipeline or underground storage facility excluded as a gas

2-1 utility under this section.

2-2 SECTION 3. This Act takes effect immediately if it receives
2-3 a vote of two-thirds of all the members elected to each house, as
2-4 provided by Section 39, Article III, Texas Constitution. If this
2-5 Act does not receive the vote necessary for immediate effect, this
2-6 Act takes effect September 1, 2007.

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