

BILL ANALYSIS

C.S.H.B. 1883
By: Farabee
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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 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.

C.S.H.B. 1883 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.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1883 amends the Utilities Code to authorize the Railroad Commission of Texas to review a certification that a person is not a gas utility and authorizes the commission, after notice and opportunity for a hearing, to determine whether the person is eligible for an exemption from being considered a gas utility.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1883 differs from the original by specifying that only after notice and opportunity for a hearing is the Railroad Commission of Texas authorized to determine whether a person is eligible for an exemption from being considered a gas utility, rather than requiring the commission, after notice and opportunity for a hearing, to revoke an exemption granted to a person if the commission determines that the person is not eligible for the exemption.

C.S.H.B. 1883 removes a provision in the original authorizing the commission to require the person making a certification that the person is not a gas utility to submit any additional information the commission considers necessary to make the determination. The substitute removes a provision in the original specifying that nothing in the definition of gas utility relating to the exclusion of transportation of gas in the vicinity of the place of production constitutes authority to revoke a person's operating permit based solely on the commission's revocation of an exemption. The substitute removes a provision in the original requiring the commission to develop rules for informing the person of the additional statutory and regulatory requirements

caused by the loss of the exemption. The substitute removes a provision in the original requiring the commission, on revocation of an exemption, to specify the required procedures and deadlines for the person to comply with the additional requirements.