

BILL ANALYSIS

S.B. 1658
By: Averitt
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The pipeline safety user inspection fee was created in 2003 to support the pipeline safety program at the Railroad Commission of Texas. The safety program is funded partially by federal funds and the remainder is funded by general revenue dollars. The first fee was set by rule at 37 cents for each service line reported by a natural gas distribution system and recently was increased to the current statutory cap of 50 cents to support the safety program. The increase in the fee cap is to fund an exceptional item request to hire additional personnel within the Safety Division to maintain current programs. Federal funding levels are tied to staffing levels and have been adversely affected by the understaffing in the pipeline safety program.

S.B. 1658 raises the cap on the pipeline safety user inspection fee from its level of 50 cents per distribution service line reported by a natural gas distribution system to one dollar annually per service line to allow the safety program to grow in the coming years. The fee is a direct passthrough to the natural gas distribution end-use consumers.

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

S.B. 1658 amends the Utilities Code to increase from an amount not to exceed 50 cents to an amount not to exceed one dollar the annual inspection fee the Railroad Commission of Texas is authorized to assess each operator of a natural gas distribution system for each service line reported by the system.

EFFECTIVE DATE

September 1, 2009.