

## **BILL ANALYSIS**

Senate Research Center  
81R10103 JJT-F

S.B. 1826  
By: Huffman  
Natural Resources  
4/1/2009  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Freeport Liquefied Natural Gas (LNG) built the first LNG terminal in Texas and the first one built in the United States in the last 30 years. The provision of the Utilities Code that regulate gas companies did not include a provision dealing with LNG marine terminals. The 80th Legislature enacted H.B. 2174 which made it clear that an LNG marine terminal did not become a "gas utility" when it was used to deliver natural gas or LNG from the terminal to the owner of the gas.

The existing statute narrowly describes the operations of the Freeport LNG terminal so that only a terminal which is not in the business of buying and selling gas is covered by the statute. However, there are operational activities which the terminal needs to conduct which have become apparent since last session.

As proposed, S.B. 1826 provides that a person operating a certain pipeline or storage facility is not a gas utility if the pipeline is used solely for delivery of natural gas and liquefied natural gas.

### **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 121.007(a), Utilities Code, to provide that a person operating a natural gas pipeline, a liquefied natural gas pipeline, or an underground storage facility is not a gas utility if the person certifies to the railroad commission that the person uses the pipeline or underground storage facility solely to deliver natural gas or liquefied natural gas or the constituents of natural gas or liquefied natural gas that has been acquired by, stored by, or liquefied by the operator of a liquefied natural gas marine terminal. Makes a nonsubstantive change.

SECTION 2. Effective date: September 1, 2009.