

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Jim Keffer, Chair, House Committee on Energy Resources

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3410** by Chisum (Relating to costs incurred by certain persons in relation to complaints filed with the Railroad Commission of Texas against gas utilities.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require the Railroad Commission (RRC) to determine the reasonableness of the administrative litigation costs incurred by an affected person or by a state agency or municipality that is a party to a complaint proceeding against the utility if the party is wholly or partially successful in prosecuting the complaint before a regulatory authority or a court. The bill provides that to the extent a regulatory authority (a municipality or the RRC) determines the costs are reasonable, a gas utility must reimburse the costs of an affected person or of a state agency or municipality that is a party to a complaint proceeding against the utility if the party is wholly or partially successful in prosecuting the complaint before a regulatory authority or a court. The bill would also permit the party to be reimbursed for any reasonably necessary expenses related to the investigation, preparation, and prosecution of a claim on which the person, agency, or municipality prevails, including the reasonable costs of consultants, accountants, auditors, attorneys, and engineers. The bill would also prohibit a gas utility from recovering amounts paid as reimbursement under this section as or through a charge to the utility's customers.

The RRC reports that the bill would not have a significant fiscal impact to the agency.

**Local Government Impact**

The bill would require municipalities to determine the reasonableness of the administrative litigation costs incurred by an affected person or by a state agency or municipality that is a party to a complaint proceeding against the utility if the party is wholly or partially successful in prosecuting the complaint before the municipality or a court. The costs would depend on the number of complaints received against a utility under a municipality's jurisdiction. However, this estimate does not assume such costs would be significant.

**Source Agencies:** 455 Railroad Commission

**LBB Staff:** JOB, WK, TL