

BILL ANALYSIS

Senate Research Center
76R6333 DWS-F

S.B. 816
By: Brown
Natural Resources
3/5/1999
As Filed

DIGEST

Currently, under Texas law, a gas utility must report the sale, acquisition, or lease of a plant for a total consideration of more than \$100,000 to the Railroad Commission. Also, a transfer of gas reserve rights from gas utilities to other utilities and interstate pipelines must be approved by the Railroad Commission. This bill raises the threshold amount which triggers reporting to the Railroad Commission to \$1 million to reflect inflation and industry changes. This bill also repeals the requirement to report to the Railroad Commission transfers of gas reserve rights to reflect the adequate gas reserves in Texas.

PURPOSE

As proposed, S.B. 816 revises the Utilities Code concerning certain transactions by a gas utility.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 102.051(a), Utilities Code, to prohibit a gas utility from selling, acquiring, or leasing a plant as an operating unit or system in this state for a total consideration of more than \$1 million, rather than \$100,000, unless the gas utility reports the transaction to the Railroad Commission.

SECTION 2. Repealer: Section 102.054, Utilities Code (Approval of Conveyance of Gas Reserve Rights).

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Emergency clause.