

## **BILL ANALYSIS**

Senate Research Center  
81R5383 TRH-F

S.B. 1658  
By: Averitt  
Natural Resources  
3/25/2009  
As Filed

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

The pipeline safety user fee was created in 2003 to support the pipeline safety program at the Railroad Commission. The safety program is funded partially by federal funds and the remainder by general revenue dollars. The first fee was set by rule at 37 cents and this past year it was increased to its current 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, including damage prevention and safety inspections. Federal funding levels are tied to staffing levels and have been adversely affected by the understaffing in the pipeline safety program.

This legislation raises the fee 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.

As proposed, S.B. 1658 increases the pipeline safety user fee from its current cap of 50 cents per distribution service line to one dollar.

### **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 121.211(d), Utilities Code, to authorize the Railroad Commission to assess each operator of a natural gas distribution system subject to this chapter an annual inspection fee not to exceed one dollar, rather than 50 cents, for each service line reported by the system on the Distribution Annual Report, Form RSPA F7100.1-1, due on March 15 of each year.

SECTION 2. Effective date: September 1, 2009.