

BILL ANALYSIS

Senate Research Center
81R19915 JJT-D

C.S.S.B. 1826
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Natural Resources
4/13/2009
Committee Report (Substituted)

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 regulates 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.

C.S.S.B. 1826 amends current law relating to the status of liquefied natural gas marine terminals.

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 is acquired, liquefied, or sold by the person as necessary for the operation or maintenance of its facility that is excluded as a gas utility under this section, or that has been stored for export. Makes a nonsubstantive change.

SECTION 2. Effective date: September 1, 2009.