

State Corporation Commission

2005 Fiscal Impact Statement

1. Bill Number SB987

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Watkins

3. Committee Senate Floor

4. Title Gas pipeline safety.

5. Summary/Purpose:

Gas pipeline safety. Authorizes the State Corporation Commission to act for the U.S. Secretary of Transportation to implement federal pipeline safety laws with respect to municipal gas systems. The Commission is not authorized to impose civil penalties or fines on any locality, or to regulate the rates, terms, and conditions of service of any locality providing gas service, except as otherwise provided. As the Commission's pipeline safety program currently covers investor-owned and master-metered systems and intrastate hazardous liquid pipelines, this measure gives the Commission safety jurisdiction over all intrastate gas and hazardous liquid pipeline facilities. The measure also relocates provisions currently located in other Code sections, that address violations of pipeline safety codes and pipelines that transport landfill gas, into one Code section. The bill provides that the authority granted shall be exercised in a manner that is not inconsistent with referenced federal regulations and pipeline safety laws. Also provides that after each inspection, there will be an exit interview conducted prior to reporting to the U.S. Department of Transportation.

6. Fiscal Impact Estimates are: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	-	-	-
2005-06	\$70,000	1	Special Fund/Federal Funds*
2006-07	\$140,000	2**	“ “
2007-08	\$210,000	3**	“ “
2008-09	“	“	“ “
2009-10	“	“	“ “
2010-11	“	“	“ “

7. Budget amendment necessary: No.

8. Fiscal implications:

* Up to 50% of the cost will be provided by a Federal Grant.

**One position in 2005-2006 will be added to conduct inspections of the three municipal gas systems. Additional positions would depend on the number of jurisdictional non-utility systems

identified. The Division of Utility and Railroad Safety estimates that an additional two positions may be needed over the 2006-2008 timeframe to perform the inspections of non-utility facilities. Positions will only be added on an as-needed basis. The dollar figures represent the estimated cost of each position including salary and fringe benefits.

9. Specific agency or political subdivisions affected: State Corporation Commission and its Division of Utility and Railroad Safety

10. Technical amendment necessary: No. The Enrolling Room can adjust the spacing needed on line 29 -- "individualsfailing" should be "individuals failing."

11. Other comments: This bill was introduced at the request of the State Corporation Commission at the suggestion of the federal Office of Pipeline Safety.

The substitute bill added three clarifying amendments to the bill which do not alter the projected fiscal impact of the original bill.

Date: 01/26/05 M/TAB

cc: Secretary of Public Safety