

BILL ANALYSIS

Senate Research Center

H.B. 3194
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Natural Resources
5-14-97
Committee Report (Amended)

DIGEST

Currently, a company that desires to build a pipeline for the purpose of transporting poisonous hydrogen sulfide gas (sour gas) can condemn rights of way and begin construction on the line before the Texas Railroad Commission determines whether or not the proposed pipeline will pose an unreasonable threat to public health or safety. This can result in the incurrance of substantial expense by the pipeline owner and certain property owners related to the condemnation of rights-of-way and construction when, ultimately, the commission may never grant the necessary permit to operate. H.B. 3194 would require pipelines that propose to carry hydrogen sulfide at a concentration of 100 point parts per million or more to obtain a signed commission order before beginning construction of the pipeline facility.

PURPOSE

As proposed, H.B. 3194 outlines provisions regarding the construction and operation of certain sour gas pipeline facilities.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Railroad Commission under SECTION 1 (Section 5, Article 6053-4, V.T.C.S.) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 102, V.T.C.S., by adding Article 6053-4, as follows:

Art. 6053-4. SOUR GAS PIPELINE FACILITIES

Sec. 1. DEFINITIONS. Defines "affected party," "commission," "construction of a facility," "low pressure gathering system," "person," and "sour gas pipeline facility."

Sec. 2. APPLICABILITY. Sets forth entities to which this Act does not apply.

Sec. 3. PERMIT APPLICATION. Prohibits a person from beginning construction of a sour gas pipeline facility before the person obtains from the Railroad Commission (commission) a permit to construct the facility.

Sec. 4. NOTICE. Sets forth requirements for an applicant for a permit to construct a sour gas pipeline facility.

Sec. 5. COMMISSION AUTHORIZATION REQUIRED. Authorizes the commission, by order, to approve an application for a permit to construct a sour gas pipeline facility if the commission finds that the materials to be used in and method of construction and operation of the facility comply with the rules and safety standards adopted by the commission. Authorizes the commission to issue an order under this section without holding a hearing unless an affected party files a written protest with the commission not later than the 30th day after the date notice is published under Section 4 of this article. Sets forth requirements for the commission if an affected party files a written protest.

SECTION 2. Amends Subsection (a), Article 6053-2, V.T.C.S., to provide that a person who violates Article 6053-1 or 6053-4, V.T.C.S., or safety standards relating to transportation of gas and gas pipeline facilities adopted under those articles may be assessed a civil penalty by the commission.

SECTION 3. Emergency clause.

Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

Amendment 1.

Page 1, line 16, amends text to insert "initial" between "the" and "construction."

Amendment 2.

Page 1, line 22, amends text to insert the definition of "low pressure gathering system" and renumber the existing subsections. Page 2, line 14, amends text to insert a new subsection (2), and renumber the existing subsections.