

FORTY-SIXTH LEGISLATURE
SECOND SESSION, 2004

February 6, 2004

Mr. Speaker:

Your **ENERGY AND NATURAL RESOURCES COMMITTEE**, to whom has been referred

HOUSE BILL 23

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 2, line 14, after "collect" insert "annual".
2. On page 2, line 15, after "fees" insert "for the duties relating to inspection of intrastate pipelines".
3. On page 2, line 18, after "per" insert "domestic".
4. On page 2, between lines 19 and 20 insert a new subparagraph:

"b) thirty-five dollars (\$35.00) per commercial service line;"
5. Renumber the succeeding paragraphs accordingly.
6. On page 2, line 21, strike "gathering line, transmission line or distribution main" and insert in lieu thereof "line for the transportation of gas subject to inspection by the pipeline safety bureau".
7. On page 2, line 24, after "or" insert "liquified".
8. On page 3, line 1, before the comma insert "subject to inspection by the pipeline safety bureau".
9. On page 3, line 2, after the period insert "A fee shall not be assessed on mileage under the jurisdiction of or inspected by the federal department of transportation.".
10. On page 3, line 7, after the second occurrence of "the" insert "annual".
11. On page 3, line 10, before the period insert "; provided that the fees shall not be greater than the amounts set forth in

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Subsection D of this section".

12. On page 3, between lines 10 and 11, insert the following new sections:

"Section 2. A new section of the Pipeline Safety Act is enacted to read:

"[NEW MATERIAL] MASTER METER OUTREACH AND EDUCATION.--Upon the effective date of this legislation, the commission shall:

A. commence a continuing industry outreach to coordinate and conduct education and certification programs concerning pipeline safety laws and regulations with respect to master meters;

B. develop agreements with the building and construction oversight divisions of the state and of local governments with the intent of minimizing dual jurisdiction of master meters; and

C. apply the waiver provisions of Section 70-3-16 NMSA 1978 to violations of safety regulations pertaining to master meters occurring prior to the effective date of this section."

Section 3. Section 70-3-12 NMSA 1978 (being Laws 1969, Chapter 71, Section 2, as amended) is amended to read:

"70-3-12. DEFINITIONS.--As used in the Pipeline Safety Act:

A. "person" means an individual, firm, joint venture, partnership, corporation, association, state, municipality, political subdivision, cooperative association, joint stock association or any combination thereof and includes any receiver, trustee, assignee or personal representative thereof;

B. "commission" means the public regulation commission;

C. "gas" means natural gas, flammable gas or gas that is toxic or corrosive;

D. "oil" means crude oil and liquid hydrocarbons and manufactured products derived from either;

E. "transportation of gas" means the gathering, transmission or distribution of gas by pipeline or its storage, except that it shall not include the gathering of gas in those rural locations that lie outside the limits of any municipality or

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unincorporated city, town or village or any residential or commercial area such as a subdivision, a business or shopping center, a community development or any similar populated area that the commission may define by order as a nonrural area;

F. "transportation of oil" means the transmission of oil by pipeline, except pipelines operated exclusively for the gathering of oil in any field or area or pipelines constituting a part of any tank farm, plant facilities of any processing plant, gasoline plant, refinery, carbon-black plant, recycling system or similar operations;

G. "gas pipeline facilities" means new and existing pipeline rights of way and any equipment, facility or structure used in the transportation of gas or the treatment of gas during the course of transportation;

H. "oil pipeline facilities" means new and existing pipeline rights of way and any equipment, facility or structure used in the transportation of oil; ~~and~~

I. "intrastate pipeline facilities" means oil pipeline facilities or gas pipeline facilities within the state that are not gas pipeline facilities subject to the jurisdiction of the federal energy regulatory commission pursuant to the federal Natural Gas Act or oil pipeline facilities used in the transportation of oil in interstate or foreign commerce, except that it shall include pipeline facilities within the state that transport gas from an interstate gas pipeline to a direct sales customer within the state purchasing gas for its own consumption;

J. "distribution main" means a pipeline other than a gathering or transmission line that serves as a common source of supply for more than one service line;

K. "master meter" means a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The master meter system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means such as by rents, as more fully set forth in federal laws and regulations; and

L. "service line" means a pipeline that transports gas from a common source of supply such as a distribution main to:

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(1) a customer meter or the connection to a customer's piping, whichever is farther downstream; or

(2) the connection to a customer's piping if there is no customer meter. A "customer meter" is the meter that measures the transfer of gas from an operator to a consumer."

11. Renumber the succeeding sections accordingly.

12. On page 3, lines 20 and 21, strike "Three hundred thousand dollars (\$300,000)" and insert in lieu thereof "Four hundred fifty thousand dollars (\$450,000)".

13. On page 3, lines 22 and 23, strike "and subsequent fiscal years" and insert in lieu thereof "for two additional full-time-equivalent positions and".

14. On page 4, line 2, strike "a" and on line 3, after "year" insert "2005".

15. On page 4, between lines 3 and 4, insert the following new section:

"Section 6. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2004."

and thence referred to the **APPROPRIATIONS AND FINANCE COMMITTEE**.

Respectfully submitted,

James Roger Madalena, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

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The roll call vote was 7 For 3 Against
Yes: 7
No: Anderson, Cheney, Wilson
Excused: Picraux, Roberts
Absent: None

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