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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Leavell</u>	<b>ORIGINAL DATE</b> <u>2/13/07</u>	<b>LAST UPDATED</b> <u>3/13/07</u>	<b>HB</b> <u>794/aSCONC/aSCORC/aHF1</u>
<b>SHORT TITLE</b> <u>Underground Pipeline One-Call Notification</u>			<b>SB</b> <u>aHF1</u>
			<b>ANALYST</b> <u>Earnest</u>

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of House Floor Amendment 1

House Floor amendment #1 further amends the definition of pipeline to those pipelines or pipeline systems or appurtenances for the transportation or movement of any oil or gas, or oil or gas products and byproducts, subject to the jurisdiction of federal law or regulation.

#### Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee (SCORC) amendment adds a new subsection allowing the PRC to prescribe maximum rates, subject to contestation, for the provision of one-call services in New Mexico.

#### Synopsis of SCONC Amendment

The Senate Conservation Committee (SCONC) amendment provides a date, April 15, 2008, by which underground facility operators must be members of the "one-call" notification system, unless earlier membership is required by federal law.

Synopsis of Original Bill

Senate Bill 794 amends section 62-14-2 to eliminate the exclusion for rural gathering of natural gas and hazardous liquid to comply with recent changes to federal pipeline safety regulations and clarify that sewer and fire protection systems are considered underground facilities. The bill amends section 62-14-7 to require membership to a “one-call” notification system for all underground facility operators.

**SIGNIFICANT ISSUES**

According to PRC, the proposed changes respond to requests from excavators, road grading contractors, and many underground facility owners themselves. Current law requires persons who perform excavation work to contact the owners of underground facilities two days prior to commencing the excavation work. Excavators do this routinely by contacting the one-call center, who in turn contacts their membership. In cases where the underground facility owner is not a member of the one-call center, current law requires the excavator to contact that facility owner directly. Since the facility is underground and since no surface indication may be readily visible to indicate that an underground facility may indeed exist and to identify the responsible underground facility owner, the excavator is placed in a tenuous situation and exposes both the excavator’s personnel and the underground facility to unsafe conditions. The changes would eliminate such confusion by requiring membership in the one-call systems.

**ADMINISTRATIVE IMPLICATIONS**

PRC notes that the proposed revisions would enhance the administration and enforcement of the excavation damage prevention statute by PRC’s Pipeline Safety Bureau. The elimination of the gathering exemption impacts the natural gas and hazardous liquid production areas in northwest and southeast New Mexico, although most companies with gathering facilities are already voluntary members of the one-call system. Similarly, most electric, telecommunications and water companies, including municipalities that operate underground facilities are members of the one-call system.

The membership requirements would impact mostly smaller, rural water systems. Although even these smaller systems must comply with the notification, records, and locating requirements, many have not joined the one-call system for various reasons. The NM One-Call system has agreed to allow these smaller systems to become members at minimal cost.

BE/mt