

**PIPELINE SAFETY PROGRAM FEES**

**TEXAS ADMINISTRATIVE CODE**

**TITLE 16**                      ECONOMIC REGULATION

**PART 1**                         RAILROAD COMMISSION OF TEXAS

**CHAPTER 8**                  PIPELINE SAFETY REGULATIONS

**SUBCHAPTER C**    REQUIREMENTS FOR NATURAL GAS PIPELINES ONLY

**Rule 8.201**                  **Pipeline Safety Program Fees**

(a) Pursuant to Texas Utilities Code, 121.211, the Commission establishes a pipeline safety inspection fee, to be assessed annually against operators of natural gas distribution pipelines and pipeline facilities and natural gas master metered pipelines and pipeline facilities subject to the Commission's pipeline safety jurisdiction under Texas Utilities Code, Chapter 121. The total amount of revenue estimated to be collected under this section does not exceed the amount the Commission estimates to be necessary to recover the costs of administering the pipeline safety program under Texas Utilities Code, Chapter 121, excluding costs that are fully funded by federal sources, for any fiscal year.

(b) The Commission hereby assesses each operator of a natural gas distribution system an annual pipeline safety program fee of \$0.50 for each service (service line) reported to be in service at the end of each calendar year by each system operator on the Distribution Annual Report, Form F7100.1-1, to be filed on March 15 of each year.

(1) Each operator of a natural gas distribution system shall calculate the total amount of the annual pipeline safety program fee to be paid to the Commission by multiplying the number of services listed in Part B, Section 3, of Department of Transportation (DOT) Distribution Annual Report, Form F7100.1-1, due to be filed on March 15 of each year, by \$0.50.

(2) Each operator of a natural gas distribution system shall remit to the Commission on March 15 of each year, the amount calculated under paragraph (1) of this subsection.

(3) Each operator of a natural gas distribution system shall recover, by a surcharge to its existing rates, the amount the operator paid to the Commission under paragraph (1) of this subsection. The surcharge:

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(A) shall be a flat rate, one-time surcharge;

(B) shall not be billed before the operator remits the pipeline safety program fee to the Commission;

(C) shall be applied in the billing cycle or cycles immediately following the date on which the operator paid the Commission;

(D) shall not exceed \$0.50 per service or service line *(For calendar year 2008 the annual pipeline safety program fee, effective with meters read on and after March 31, 2008, Texas Gas Service Company will bill all customers a one-time customer charge per bill of \$0.46, based on \$0.50 per service line)* ; and

(E) shall not be billed to a state agency, as that term is defined in Texas Utilities Code, 101.003.

(4) No later than 90 days after the last billing cycle in which the pipeline safety program fee surcharge is billed to customers, each operator of a natural gas distribution system shall file with the Commission's Gas Services Division and the Safety Division a report showing:

(A) the pipeline safety program fee amount paid to the Commission;

(B) the unit rate and total amount of the surcharge billed to each customer;

(C) the date or dates on which the surcharge was billed to customers; and

(D) the total amount collected from customers from the surcharge.

(5) Each operator of a natural gas distribution system that is a utility subject to the jurisdiction of the Commission pursuant to Texas Utilities Code, Chapters 101-105, shall file a generally applicable tariff for its surcharge in conformance with the requirements of 7.315 of this title, relating to Filing of Tariffs.

(6) Amounts recovered from customers under this subsection by an investor-owned natural gas distribution system or a cooperatively owned natural gas distribution system shall not be included in the revenue or gross receipts of the system for the purpose of calculating municipal franchise fees or any tax imposed under Subchapter B, Chapter 182, Tax Code, or under Chapter 122, nor shall such amounts be subject to a sales and use tax imposed by Chapter 151, Tax Code, or Subtitle C, Title 3, Tax Code.

(c) The Commission hereby assesses each master meter system an annual inspection fee of \$100 per master meter system.

(1) Each operator of a natural gas master meter system shall pay the annual inspection fee of \$100 per master meter system no later than June 30 of each year.

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(2) The Commission shall send an invoice to each affected natural gas master meter operator no later than April 30 of each year as a courtesy reminder. The failure of a natural gas master meter operator to receive an invoice shall not exempt the natural gas master meter operator from its obligation to remit the annual pipeline safety program fee on June 30 each year.

(3) Each operator of a natural gas master meter system shall recover as a surcharge to its existing rates the amounts paid to the Commission under this subsection.

(4) No later than 90 days after the last billing cycle in which the pipeline safety program fee surcharge is billed to customers, each master meter operator shall file with the Commission's Gas Services Division and the Safety Division a report showing:

- (A) the pipeline safety program fee amount paid to the Commission;
- (B) the unit rate and total amount of the surcharge billed to each customer;
- (C) the date or dates on which the surcharge was billed to customers; and
- (D) the total amount collected from customers from the surcharge.

(d) If an operator of a natural gas distribution system or a natural gas master meter system does not submit payment of the annual inspection fee to the Commission within 30 days of the due date, the Commission shall assess a late payment penalty of 10 percent of the total assessment due under subsection (b) or (c) of this section, as applicable, and shall notify the operator.

**Source Note:** The provisions of this 8.201 adopted to be effective September 8, 2003, 28 TexReg 7682; amended to be effective November 24, 2004, 29 TexReg 10733; amended to be effective May 15, 2005, 30 TexReg 2849; amended to be effective December 19, 2005, 30 TexReg 8428; amended to be effective April 18, 2007, 32 TexReg 2136; amended to be effective November 12, 2007, 32 TexReg 8121