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FISCAL IMPACT REPORT

SPONSOR HENRC **ORIGINAL DATE** 02/28/11
LAST UPDATED 03/01/11 **HB** CS/452/aHAFC
SHORT TITLE Natural Gas Shut-down Task Force **SB** _____
ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$50.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SM 30

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee Amendment removes the appropriation from the bill. The Committee Report indicates the change on page 4 of the bill; Section 2, the appropriation, is on page 3.

Synopsis of Original Bill

The House Energy and Natural Resources Committee Substitute for House Bill 452 creates the Natural Gas Emergency Task Force, enumerates its powers, describes the composition of its members, requires reporting the results to the appropriate government officials, and appropriates \$50.0 thousand to fund the task force activities.

The bill contains an emergency clause, and, if passed by both Houses of the State Legislature, becomes effective upon being signed by the Governor.

FISCAL IMPLICATIONS

The House Energy and Natural Resources Committee Substitute for House Bill 452 appropriates \$50.0 from the General Fund to the Department of Finance and Administration for expenditure in fiscal years 2011 and 2012. Any unexpended or unencumbered balance remaining at the end of fiscal year 2012 shall revert to the General Fund.

SIGNIFICANT ISSUES

During an early February 2011 cold spell, nearly thirty thousand New Mexicans lost access to natural gas service. This loss of service endangered lives during a period of record low temperatures in New Mexico and has resulted in millions of dollars worth of damage due to burst water pipes and loss of business. The New Mexico Gas Company was unable to import enough natural gas to meet demand due to the shutdown of several compressors on the transmission lines in Texas thus creating undue hardships on New Mexicans. The task force is charged to investigate how and why New Mexico consumers lost natural gas service in early February and to make recommendations on how to prevent the loss of service in the future and to determine whether federal legislation is necessary to prevent a recurrence of a similar event. In addition the task force would determine the most practicable notification methods for gas customers in case of an impending outage or service interruption and would determine the best methods to prioritize shutdown decisions during emergencies.

The task force is to be composed of the Secretary of Homeland Security and Emergency Management, the Chair of the Public Regulation Commission or another Commissioner designated by the Chair, the Adjutant General, the Attorney General, the Superintendent of Insurance or the designees of any of the above, one majority and one minority member from the House appointed by the Speaker, one majority and one minority member from the Senate appointed by the President Pro Tem and the Secretary of Finance and Administration who shall serve as Chair.

The taskforce shall report its findings to the Governor and the appropriate legislative committees by August 1, 2011 and shall post its report on the Public Regulation Commission web site upon completion.

ADMINISTRATIVE IMPLICATIONS

This requires that representatives of all affected parties be invited to participate in task forces activities as appropriate with state agencies and legislative committees assisting as needed.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SM 30, a memorial calling for a taskforce that would pursue the same goals as called for in HB 452.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Funded task force activities will not be conducted.

GH/mew:svb