



GAS UTILITIES INFORMATION BULLETIN

No. 1082

Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

APRIL 30, 2018
OVERSIGHT AND SAFETY DIVISION
Kari French, Director

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SECTION 1: NEW APPEALS AND APPLICATIONS FILED

DOCKET NO.: 10729
CAPTION Inquiry into the Failure of O. H. M. Operating to Comply with Safety Standards.
DATE FILED -- 04/13/2018
FILED BY -- Commission’s Own Motion
EXAMINER --
TECHNICAL --

DOCKET NO. -- 10730
CAPTION -- Texas Gas Service Company Notice of Intent to Reduce Base Rates Established in GUD 10488 for the Gulf Coast Service Area Pursuant to Section 104.111 of the Gas Utility Regulatory Act.
DATE FILED -- 04/27/2018
FILED BY -- Kate Norman
EXAMINER -- Christina Poole
TECHNICAL --

DOCKET NO. -- 10731
CAPTION -- Texas Gas Service Company Notice of Intent to Reduce Base Rates Established in GUD 10656 for the Rio Grande Valley Service Area Pursuant to Section 104.111 of the Gas Utility Regulatory Act.
DATE FILED -- 04/27/2018
FILED BY -- Kate Norman
EXAMINER -- Frank Tomicek
TECHNICAL --

SECTION 2: APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE

[Office of General Counsel Weekly Hearing Schedules for 2018](#)

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**RATE CASE EXPENSES SEVERED FROM §
GUD NO. 10580, STATEMENT OF INTENT §
TO CHANGE THE RATES OF CITY GATE § GAS UTILITIES DOCKET
SERVICE (CGS) AND RATE PIPELINE § NO. 10604
TRANSPORTATION (PT) RATES OF §
ATMOS PIPELINE - TEXAS §
§
§**

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On January 6, 2017, Atmos Pipeline – Texas (“Atmos”) filed with the Commission a statement of intent to change its rate city gate service (“CGS”) and rate pipeline transportation (“PT”)—and related riders—under the provisions of Subchapter

C (Rate Changes Proposed by Utility) of Chapter 104 (Rates and Services) of the Gas Utility Regulatory Act (“GURA”). The statement of intent (“SOI”) was docketed as GUD No. 10580.

Several parties subsequently intervened: Staff of the Railroad Commission (“Staff”), Atmos Cities Steering Committee (“ACSC”), Texas Gas Service Company (“Texas Gas”), CoServ Gas, Ltd. (“CoServ”), Atmos Texas Municipalities (“ATM”), Nucor Steel – Texas (“Nucor”), City of Dallas (“Dallas”), Texas Industrial Energy Consumers (“TIEC”), Fowler Energy Company (“Fowler Energy”), and Smurfit Kappa North America LLC (“SKNA”).

On February 17, 2017, the rate case expenses associated with GUD No. 10580 were severed into this separate docket, GUD No. 10604. On August 1, 2017, the Commission issued its Final Order in GUD No. 10580. On September 19, 2017, the Commission denied motions for rehearing.

On March 26, 2018, Atmos filed an Unopposed Stipulation and Settlement Agreement relating to rate case expenses (“Settlement”), signed by the following parties: Atmos, ATM, ACSC, Dallas, and Staff.

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider all issues of fact and law relevant to the rate case expenses associated with GUD No. 10580, described above, and this severed docket.

Legal Authority and Jurisdiction. The Commission has jurisdiction over the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 103.003 (Surrender of Municipal Jurisdiction to Railroad Commission; Reinstatement of Jurisdiction), 103.051 (Appeal by Party), 103.052 (Appeal by Residents), 103.053 (Appeal by Ratepayers Outside Municipality), and 104.001 (Authorization to Establish and Regulate Rates), and/or pursuant to GURA Sections 121.051 (Gas Utility: Public Interest and Jurisdiction of Railroad Commission), 121.052 (Pipelines: Monopolies Subject to Railroad Commission), and 121.151 (Railroad Commission Regulation of Gas Pipelines). The Administrative Law Judges and the Technical Examiners shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, and other applicable authority.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. All sections in GURA Chapters 101 (General Provisions and Office of Public Utility Counsel), 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), 104 (Rates and Services), and 121 (Gas Pipelines); and
2. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure) and 7 (Gas Services Division), and particularly Commission Rule § 7.5530 (Allowable Rate Case Expenses).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall commence at **9:00 a.m. on Tuesday, May 8, 2018**, at the Commission’s offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced until concluded.

IT IS FURTHER DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the final hearing on the merits **SHALL** appear in person or by an attorney. For good cause shown, the ALJ may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.112 (Proceedings by Telephony).

Written Transcript of the Hearing. The record of the hearing will be made by stenographic transcription by the court reporter. Any party that desires a copy of the written transcript of the hearing should contact the court reporter at (512) 282-0313. The Commission may assess the cost of the transcript or expedited transcript to one or more parties pursuant to Section 2001.059 (Transcript) of the Texas Government Code.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information – *In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.*

John Dodson
Administrative Law Judge

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT OF SIENERGY, LP, TO INCREASE GAS UTILITY RATES IN CENTRAL AND SOUTH TEXAS	§ § § § §	GAS UTILITIES DOCKET NO. 10679, <i>Consolidated</i>
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NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On January 5, 2018, SiEnergy, LP (“SiEnergy”), filed with the Commission a statement of intent to increase gas utility rates within the unincorporated areas served by SiEnergy in Central and South Texas (the “SOI”). The SOI was docketed as GUD No. 10679. As part of its rate filing, SiEnergy requests that the Commission: (1) approve tariffs and rate schedules associated with the SOI; (2) approve new depreciation rates; (3) approve the prudence of capital investment through September 30, 2017; (4) issue a favorable public interest determination regarding a July 31, 2017 purchase transaction by IX Si Investment Co., LLC (“IX Si”), whereby IX Si acquired 100 percent of the equity interests in SiEnergy; (5) authorize SiEnergy to amortize its acquisition adjustment; (6) authorize SiEnergy to recover all reasonable rate case expenses; and (7) grant SiEnergy such further relief to which it may be entitled.

Contemporaneously with its SOI, SiEnergy filed statements of intent to increase rates with the Cities of Conroe, Fulshear, Katy, Missouri City, and Sugarland (together with the SOI, and to the extent the Commission acquires jurisdiction over these municipal actions, the “Consolidated Requested Relief”).

On January 23, 2018, the Commission suspended the effective date for SiEnergy’s rate increase for 150 days, pursuant to Section 104.107 (Rate Suspension; Deadline) of the Gas Utility Regulatory Act (“GURA”) of the Texas Utilities Code. Subsequently, SiEnergy voluntarily extended this suspension further until August 24, 2018.

On January 26, 2018, the Administrative Law Judge (“ALJ”) aligned all municipal parties under Commission Rule §§ 1.56 (Alignment of Municipal Intervenors for Purposes of Discovery) and 1.26 (Classification and Alignment of Parties). On February 13, 2018, the ALJ severed the rate case expenses portion of this docket into a separate docket, GUD No. 10694.

Several comments/communications from the public were received regarding the relief proposed in the SOI. On March 16, 2018, the ALJ sent Complaint and Statement of Intent to Participate forms to each public commenter. No completed forms were returned.

On April 12, 2018, SiEnergy notified the ALJ that the parties reached a settlement. On April 13, 2018, the ALJ consolidated GUD No. 10694 (rate case expenses) with GUD No. 10679 (the SOI docket).

Intervening Parties. Two parties have intervened in this docket: (1) Staff of the Railroad Commission (“Staff”), and (2) Gulf Coast Coalition of Cities (“GCCC”).

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider all issues of fact and law raised in—or relevant to—SiEnergy’s Consolidated Requested Relief. The scope of the hearing may be limited to the parties’ settlement.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over SiEnergy and the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 103.003 (Surrender of Municipal Jurisdiction to Railroad Commission; Reinstatement of Jurisdiction), 103.051 (Appeal by Party), 103.052 (Appeal by Residents), 103.053 (Appeal by Ratepayers Outside Municipality), and 104.001 (Authorization to Establish and Regulate Rates), and pursuant to GURA Sections 121.051 (Gas Utility: Public Interest and Jurisdiction of Railroad Commission), 121.052 (Pipelines: Monopolies Subject to Railroad Commission), and 121.151 (Railroad Commission Regulation of Gas Pipelines). The ALJ shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, and other applicable authority.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

3. All sections in GURA Chapters 101 (General Provisions and Office of Public Utility Counsel), 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), 104 (Rates and Services), and 121 (Gas Pipelines); and
4. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure) and 7 (Gas Services Division).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall commence at **9:00 a.m. on Tuesday, May 15, 2018**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced, until concluded.

IT IS FURTHER DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the final hearing on the merits **SHALL** appear in person or by an attorney. For good cause shown, the ALJ may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.112 (Proceedings by Telephony).

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Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information – In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, *ex parte* communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by

writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.

John Dodson
Administrative Law Judge

SECTION 3: STATUS OF PENDING CASES

None currently.

SECTION 4: NOTICES OF DISMISSAL

None currently.

SECTION 5: ORDERS OF THE COMMISSION

1. **GUD No. 10646:** Application of Trans-Pecos Pipeline, LLC pursuant to NGPA § 311 for Review of the Reasonableness of a Transportation Rate.
 - a. [Final Order \(04/24/18\)](#)
2. **GUD No. 10647:** Application of Comanche Trail Pipeline, LLC pursuant to NGPA § 311 for Review of the Reasonableness of a Transportation Rate.
 - a. [Final Order \(04/24/18\)](#)
3. **GUD No. 10665:** Application of Alpine High Pipeline, LLC pursuant to NGPA § 311 for Review of the Reasonableness of a Transportation Rate.
 - a. [Final Order \(04/24/18\)](#)

SECTION 6: MISCELLANEOUS

A. Gas Services Department Publications and Statistics

1. Gas Utilities Information Bulletins available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/gas-utilities-information-bulletins/>.
2. Rate Review Handbook available at <http://www.rrc.state.tx.us/media/41964/rate-review-handbook-2017.pdf>.
3. Gas Utilities Annual Statistics available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/2017-gas-utility-annual-statistical-reports/>.
4. Gas Storage Statistics available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/gas-storage-statistics/>.
5. Six MCF Residential Gas Bill Analysis for Texas Cities available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/six-mcf-report/>.

B. Interest Rate on Customer Deposits

1. We have been advised by the Public Utility Commission of Texas that the interest rate to be applied to customer deposits in calendar year 2018 is 0.91%. All gas utilities should use 0.42% for the calendar year 2017 and 0.11% for calendar year 2016. This information can be found at: <https://www.puc.texas.gov/industry/electric/reports/HRates/HistRates.pdf>

C. Contact Information

1. Audit Section's Headquarter and District Offices:

Headquarter Location:
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701

Mailing Address:
P. O. Box 12967
Austin, Texas 78711
Telephone (512) 463-7167
Fax (512) 475-3180

Austin District:

Ed Abrahamson, Director, Utility Audit Section
Stephen Cooper, Advising Auditor
Pearl Rodriguez, Program Specialist
Diana Serrano, Accounting Technician
Telephone: (512) 463-7022

Fort Worth District:

City Hall 13th Street Annex
401 West 13th Street, Suite B

Josh Settle, Senior Auditor
Yolandra Davis, Senior Auditor
Telephone: (817) 882-8966

Houston District:

1706 Seamist Drive, Suite 50
Houston, Texas 77008

Margie Stoney, Project Auditor
Larry Alcorn, Auditor
Dale Francis, Senior Auditor
Konata Uzoma, Senior Auditor
Vonetta Jackson, Auditor
Telephone: (713) 869-8425

2. Market Oversight Section

William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701

Mailing Address:
P. O. Box 12967
Austin, Texas 78711

Mark Evarts, Director
Amy Bruce, Utility Specialist
Christina Poole, Financial Analyst
Frank Tomicek, Financial Analyst
Sarah Montoya-Foglesong, Financial Analyst

Claudia Godoy, Research Specialist Team Lead
Andrea Maxwell, Research Specialist
Sheila Mendoza, Clerk IV
Virgie Frausto, Research Specialist
Telephone: (512) 463-7167

D. Audit Forms

1. Gas Utility Tax and Annual Forms available at <http://www.rrc.state.tx.us/gas-services/forms/>.
2. Copies of Gas Utility Annual Reports available on Neubus at: <https://rrcsearch3.neubus.com/esd3-rrc/index.php?module=esd&action=keysearch&profile=13>.
3. Information relating to any of the above, are available for review at the William B. Travis Building, Gas Services Department, 9th Floor, 1701 North Congress. All requests for copies must be made in writing and should be addressed to the Audit Section. Copies will be provided for a fee, depending on the volume of copy work desired, allow a minimum of ten business days for completion of requests.
4. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022 or fax your request to (512) 475-3180.

E. Market Oversight Section Forms

1. Annual Earnings and Monitoring Report available at <http://www.rrc.texas.gov/media/6085/annualearningsmonitoringreport.pdf>
2. Interim Cost Recovery and Rate Adjustment Report available at <http://www.rrc.texas.gov/media/6084/newinfrastructure.pdf>.

F. Gas Utility Docket Information

1. Orders and Proposals for Decision published on the Commission's web site at: <http://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/>
2. Gas Utility Dockets available on Neubus at <https://rrcsearch3.neubus.com/esd3-rrc/index.php?module=esd&action=keysearch&profile=14>.

G. Natural Gas Tariff Filings

1. Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Claudia Godoy, Andrea Matamoros, Virgie Frausto, or Sheila Mendoza at (512) 463-7167.
2. Natural Gas Tariffs and Rate Schedules available at <http://www.rrc.texas.gov/gas-services/natural-gas-tariffs-and-rate-schedules/>.

H. Common Carrier Pipeline Tariff Filings

1. Questions pertaining to the filing of common carrier pipeline tariffs should be directed to Virgie Frausto at (512) 463-7121.

2. Common Carrier Pipeline Tariffs available at <http://www.rrc.texas.gov/gas-services/common-carrier-pipeline-tariffs/>.

I. Propane Distribution Systems

1. Propane distribution price cap information is available at: <http://www.rrc.texas.gov/gas-services/propane-distribution-systems/>.

J. Curtailment Plan (Gas Utility Docket 489)

1. Curtailment questions should be referred to (512) 463-7167 or by email at naturalgascurtailment@rrc.texas.gov.
2. Curtailment reports made during normal business hours, Monday through Friday 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167.
3. Curtailment reports made after hours or during holidays, should be made to (512) 463-6788.

K. Compliance Filings

1. Questions regarding gas utilities docket compliance filing requirements should be referred to Christina Poole at (512) 463-7167 or by email at GUD_Compliance@rrc.texas.gov.

L. Complaints and Inquiries

1. Residential and Commercial Propane and Natural Gas Complaints should be made at GasComplaints@rrc.texas.gov or by phone at (512) 463-7167.
2. Informal Gas Purchasing, Selling, Transportation or Gathering Practive Complaints should be submitted online at <http://www.rrc.texas.gov/gas-services/complaint-filing/informal-gas-transportation-purchase-complaint-preliminary-information-online-form/> or at (512) 463-7167.
3. Informal Complaint Preliminary Information form available at <http://www.rrc.texas.gov/media/5671/informal-complaint-preliminary-information.pdf>.

M. Non-Submetered Master Meter Disconnections

1. Municipalities wishing to opt in receiving notice from utilities when non-submetered master metered multifamily property is subject to disconnection of service due to non-payment can do so at <http://www.rrc.texas.gov/gas-services/non-submetered-master-meter-disconnections/>.

N. Texas Utilities Codes

1. Available through the State of Texas website at <http://www.statutes.legis.state.tx.us>.

O. Texas Administrative Codes

1. Available at the State of Texas website at: [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7).

P. Pending RRC Rules and Regulations

1. Pending rules and regulations available at <http://www.rrc.state.tx.us/general-counsel/rules/>

Q. Proposed Form Amendments (PFD):

1. PFDs available at <http://www.rrc.state.tx.us/about-us/resource-center/forms/proposed-form-changes/>

R. Hearings and Legal Analysis

1. Anyone wishing to obtain copies of appendices to Orders appearing in Section 5 of this Bulletin should contact the General Counsel Division at (512) 463-7149.

S. Status of Pending Cases

1. The status of all pending cases listed in Section 3 of this Bulletin is for informational purposes only and is complete up to the time of printing of this Bulletin. For a more accurate status of pending cases, please call the General Counsel Division at (512) 463-7149.