

**PROPOSED AMENDMENTS TO 16 TAC §  
§3.65, RELATING TO CRITICAL §  
DESIGNATION OF NATURAL GAS §  
INFRASTRUCTURE §**

**BEFORE THE  
RAILROAD COMMISSION  
OF TEXAS**

**COMMENTS OF ATMOS ENERGY CORPORATION ATMOS PIPELINE-TEXAS  
DIVISION TO PROPOSED 16 TAC § 3.65, RELATING  
TO CRITICAL DESIGNATION OF NATURAL GAS INFRASTRUCTURE**

Atmos Energy Corporation’s (“Atmos Energy”) Atmos Pipeline-Texas Division (“APT”) submits these timely filed comments in support of and in response to proposed 16 Tex. Admin. Code § 3.65 (“Rule 3.65”) relating to critical designation of natural gas infrastructure approved for publication by the Railroad Commission of Texas (“Commission”) on August 30, 2022, and published in the September 16, 2022 issue of the *Texas Register*.<sup>1</sup>

**I. OVERVIEW**

APT is an unincorporated division of Atmos Energy. APT is an intrastate natural gas transmission pipeline operating solely in Texas. APT is one of the larger intrastate pipelines in Texas, consisting of approximately 5,700 miles of transmission pipeline, approximately 700 city gate meters, five underground storage facilities, and 48 gas compressors with a total of approximately 140,000 horsepower.

The APT pipeline system serves a geographical area bounded by the Oklahoma border; the Katy hub near Houston; the Carthage hub in East Texas; the Waha hub in West Texas; and the Austin/Hill Country area. APT serves three distinct customer segments: (i) the local distribution company market segment; (ii) the on-system (i.e., directly served by APT) industrial segment (except for certain industrial customers that are served under negotiated rates and are in the Other Revenue segment); and (iii) the Other Revenue segment consisting principally of certain

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<sup>1</sup> 47 Tex. Reg. No. 5560 (September 16, 2022).

interruptible industrial customers, through-system transportation (e.g., customers that utilize APT to deliver volumes to another pipeline) and electric generation.

## **II. COMMENTS ON PROPOSED RULE 3.65**

APT has now made two submissions pursuant to Rule 3.65 and believes that the amendments proposed by the Commission help to clarify the provisions of the Rule. In addition to the amendments proposed by the Commission, APT suggests that the Commission consider providing further clarification on the process operators should use for adding or removing assets that appear on the Supply Chain Map. Rule 3.65 references the “electricity supply chain map,” but there is no rule that describes the process for determining future inclusion or exclusion from the supply chain map. Given that inclusion in the supply chain map triggers certain requirements under this rule, APT suggests that it may be appropriate to provide a mechanism to add or remove assets through the amendments to Rule 3.65. Pipeline systems are ever evolving to meet the contractual demands of its customers. Accordingly, contracts and accompanying receipt and delivery points frequently change. The addition of a mechanism to add or delete assets on the supply chain map would be helpful to ensure that it remains both viable and accurate. This could be accomplished by adding an additional subsection to Rule 3.65 along the following lines:

(k) If the status of certain facilities of an operator changes in a manner that requires a change to the operator’s facilities included on the electricity supply chain map produced by the Texas Electricity Supply Chain Security and Mapping Committee, the operator shall submit a request for such a change to the Critical Infrastructure Division, including any updated shape files that correspond to the request and an explanation of the need for the change. After due consideration of the request, the Critical Infrastructure Division will take steps to effectuate any necessary updates to the supply chain map through communication with the Texas Electricity Supply Chain Security and Mapping Committee.

### **III. CONCLUSION**

APT appreciates the opportunity to submit these comments and looks forward to working with the Commission, Staff, and other interested parties to developing the final version of this significant rulemaking.

Respectfully submitted,

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