

GAS UTILITIES INFORMATION BULLETIN

No. 1132

Wayne Christian, Chairman Christi Craddick, Commissioner Ryan Sitton, Commissioner

MAY 29, 2020 OVERSIGHT AND SAFETY DIVISION Kari French, Director

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SECTION 1: NEW APPEALS AND APPLICATIONS FILED

| DOCKET NO.: CAPTION | 10978 Appeal of Texas Gas Service Company, a Division of ONE Gas, Inc., from the Actions of the Cities of Westlake Hills, Bayou Vista, Kyle, and Shiner. |
|------------------------|--|
| DATE FILED | 05/15/2020 |
| FILED BY | Kate Norman |
| EXAMINER | Dee Marlo Chico |
| TECHNICAL | Rose Ruiz |
| | |
| DOCKET NO.: CAPTION | 10979 Appeal of Texas Gas Service Company, a Division of ONE Gas, Inc., from the Actions of the Cities of Jamaica Beach and Lakeway. |
| | Appeal of Texas Gas Service Company, a Division of ONE Gas, Inc., from the |
| CAPTION | Appeal of Texas Gas Service Company, a Division of ONE Gas, Inc., from the Actions of the Cities of Jamaica Beach and Lakeway. |
| CAPTION DATE FILED | Appeal of Texas Gas Service Company, a Division of ONE Gas, Inc., from the Actions of the Cities of Jamaica Beach and Lakeway. 05/20/2020 |

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

Office of General Counsel Weekly Hearing Schedules for 2020

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

COMPLAINT OF VOPAK MODA § HOUSTON, LLC (VMH), AGAINST § MAGELLAN CRUDE OIL PIPELINE § COMPANY, LP §

GAS UTILITIES DOCKET NO. 10597

NOTICE OF RE-OPENING OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On January 20, 2017, Vopak Moda Houston ("VMH") filed a formal complaint against Magellan Crude Oil Pipeline Company, LP ("Magellan"). VMH asks the Railroad Commission to exercise its regulatory authority under Common Carrier Act Sections 111.137 (Enlargement and Extension of Facilities) and 111.023 (Exchange of Facilities) to require Magellan to provide VMH with a pipeline interconnection to Magellan's common carrier pipeline system in the Houston area.

The merits hearing was held from November 19-20, 2019, the evidentiary record closed on January 17, 2020, and post-hearing briefing by the parties was completed in March 2020. On April 27, 2020, VPH moved to supplement the record with additional evidence on the effect of the coronavirus pandemic on U.S. crude oil storage and access to markets. At a post-hearing conference held on May 14, 2020, the Administrative Law Judge ("ALJ") granted VMH's motion and directed that the merits hearing will re-open to permit both parties the opportunity to (1) offer additional evidence—limited in scope to VMH's motion—and (2) cross-examine witnesses, if any, and make appropriate evidentiary objections. On May 19, 2020, VMH and Magellan filed a joint letter agreement, each agreeing to the admissibility at the re-opened hearing of VMH's out-of-court declaration and a responsive out-of-court declaration/affidavit by Magellan, and each waiving cross-examination and objections.

NOTICE IS HEREBY GIVEN that the merits hearing and evidentiary record will re-open, at the time and place set out below, for the limited purpose of admitting into the record the out-of-court written statements offered by VMH and Magellan, consistent with the parties' May 19, 2020 letter agreement.

Legal Authority and Jurisdiction. The Commission has jurisdiction over Magellan pursuant to Chapters 81 and 111 of the Texas Natural Resources Code. The ALJ shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding include the following:

- 1. Chapter 81 (Railroad Commission of Texas) of the Natural Resources Code;
- 2. Chapter 111 (Common Carriers, Public Utilities, and Common Purchasers) of the Natural Resources Code, including Sections 111.137 (Enlargement and Extension of Facilities) and 111.023 (Exchange of Facilities); and
- 3. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapter 1 (Practice and Procedure), Chapter 3 (Oil and Gas Division), and/or Chapter 7 (Gas Services Division).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall re-open at **2:00 p.m. on Tuesday, June 2, 2020, via the Zoom online platform**. The Zoom link will be circulated to the service list via e-mail prior to the start of the hearing. Members of the public may request the link by e-mailing: David.Cornett@rrc.texas.gov.

Written Transcript of the Hearing. The record of the hearing will be made by recording device or 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 in order to have an equal opportunity to effectively communicate and participate in the hearing may request such aids or services by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711, or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information. Ex parte communications with the Commissioners, Administrative Law Judges, and Technical Examiners are prohibited. 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, Austin, Texas 78711-2967. Clerical questions, such as questions regarding the number of copies of filings, the service list, or reviewing the record, may be directed to Docket Services at (512) 463-6848.

Signed on May 22, 2020.

JOHN B. DODSON ADMINISTRATIVE LAW JUDGE

RAILROAD COMMISSION OF TEXAS

FORMALCOMPLAINTOFDCP§GUADALUPEPIPELINE,LLCAGAINST§ATMOSENERGYCORPORATION§

HEARINGS DIVISION

GUD NO. 10918

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On November 12, 2019 DCP Guadalupe Pipeline, LLC ("DCP") filed a complaint with the Railroad Commission of Texas ("Commission") against Atmos Energy Corporation ("Atmos") for breach of contract of the Agreement for Construction, Ownership, and Operations of the Waha Header ("COO Agreement"). DCP alleged this dispute concerns private contractual issues of breach of contract not under the Commission's jurisdiction. Atmos claimed DCP's breach of contract claims were subject to the Commission's jurisdiction and DCP must first exhaust all its administrative remedies. As jurisdiction is the threshold issue, the parties agreed to a two-phase hearing on the merits: Phase I, which covers the jurisdictional issue, and Phase II, which addresses the remaining issues depending on the outcome of Phase I.

Parties. Participating parties in this docket include DCP Guadalupe Pipeline, LLC (Complainant) and Atmos Energy Corporation (Respondent).

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 – DCP's complaint, including whether the Commission has jurisdiction over DCP's breach of contract claims under the COO Agreement.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over Atmos and the matters at issue in this proceeding pursuant to Chapters 81 and 111 of the Texas Natural Resources Code and Chapters 104 and 121 of the Texas Utilities Code. The Administrative Law Judge ("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:

- 4. Chapter 81 (Railroad Commission of Texas) of the Natural Resources Code;
- 5. Chapter 111 (Common Carriers, Public Utilities, and Common Purchasers) of the Natural Resources Code;
- 6. Chapters 104 (Rates and Services) and 121 (Gas Pipelines) of the Utilities Code; and
- 7. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure), Chapter 3 (Oil and Gas Division), 7 (Gas Services Division), and/or Chapter 8 (Pipeline Safety Regulations).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits for Phase I shall commence at **9:30 a.m. on Monday, July 6, 2020, via the Zoom video conferencing platform**. 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 recording device or by stenographic transcription by the court reporter. Any party that desires a 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, 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.

Signed on May 29, 2020.

DEE MARLO CHICO ADMINISTRATIVE LAW JUDGE

SECTION 3: STATUS OF PENDING CASES

None currently.

SECTION 4: NOTICES OF DISMISSAL

None currently.

SECTION 5: ORDERS OF THE COMMISSION

None currently.

SECTION 6: MISCELLANEOUS

A. Gas Services Department Publications and Statistics

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

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:

Stephen Cooper, Director, Utility Audit Section Janeen Metcalf, Compliance Analyst II 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 Christina Poole, Financial Analyst Claudia Godoy, Financial Analyst Frank Tomicek, Financial Analyst Sarah Montoya-Foglesong, Financial Analyst Andrea Maxwell, Research Specialist II Team Lead Erik Gardner, Customer Service Representative IV Janet Sims, Customer Service Representative IV Sheila Mendoza, 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/esd3rrc/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 <u>http://www.rrc.texas.gov/media/6084/newinfrastructure.pdf</u>.

F. Gas Utility Docket Information

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

G. Natural Gas Tariff Filings

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

H. Common Carrier Pipeline Tariff Filings

- 1. Questions pertaining to the filing of common carrier pipeline tariffs should be directed to Sheila Mendoza at 512-463-7023.
- 2. Common Carrier Pipeline Tariffs available at <u>http://www.rrc.texas.gov/gas-</u> services/common-carrier-pipeline-tariffs/.

I. Propane Distribution Systems

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

J. Curtailment Plan (Gas Utility Docket 489)

- 1. Curtailment questions should be referred to 512-463-7167 or by email at <u>naturalgascurtailment@rrc.texas.gov</u>.
- 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 <u>GUD_Compliance@rrc.texas.gov</u>.

L. Complaints and Inquiries

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

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 <u>http://www.statutes.legis.state.tx.us</u>.

O. Texas Administrative Codes

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

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 <u>http://www.rrc.state.tx.us/about-us/resource-center/forms/proposed-form-changes/</u>.

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.