

**RAILROAD COMMISSION OF TEXAS  
GAS SERVICES DIVISION**

**GAS UTILITIES  
INFORMATION BULLETIN**

**No. 887**



**RAILROAD COMMISSION  
OF TEXAS**

**Victor G. Carrillo, Chairman  
Elizabeth A. Jones, Commissioner  
Michael L. Williams, Commissioner**

**William O. Geise  
Director  
Gas Services Division**

March 10, 2010

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Orders were issued in the following dockets:

**GUD No. 9889** : Application of Kinder Morgan Texas Pipeline LLC pursuant to section 311 of the Natural Gas Policy Act for review of the reasonableness of a rate being charged under and existing gas sales contract – *Order*.

**GUD No. 9909** : Statement of Intent filed by Coserv Gas Ltd. to increase rates in the unincorporated areas of Denton, Collin, and Kaufman counties – *Final Order* .

**GUD No. 9951** : Statement of Intent filed by Natgas, Inc. to increase rates in and around the unincorporated community of Ozona, Texas – *Suspension Order* .

**NEW APPEALS AND APPLICATIONS FILED**

None at this time.

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

None at this time.

**SECTION 3**  
**STATUS OF PENDING CASES**

None at this time.

**SECTION 4**  
**NOTICES OF DISMISSAL**

None at this time.

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**SECTION 5**  
**ORDERS OF THE COMMISSION**

**RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION OF KINDER MORGAN</b>	§	
<b>TEXAS PIPELINE LLC PURSUANT TO</b>	§	
<b>SECTION 311 OF THE NATURAL GAS</b>	§	
<b>POLICY ACT FOR REVIEW OF THE</b>	§	<b>GAS UTILITIES DOCKET NO. 9889</b>
<b>REASONABLENESS OF A RATE</b>	§	
<b>BEING CHARGED UNDER AN</b>	§	
<b>EXISTING GAS SALES CONTRACT</b>	§	

**ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, *et seq.* (Vernon 2004 and Supp. 2009). The Railroad Commission of Texas adopts the following findings of fact, conclusions of law, and orders as follows:

**FINDINGS OF FACT**

1. Kinder Morgan Texas Pipeline LLC (Applicant) owns and operates an intrastate natural gas pipeline within the State of Texas.
2. Applicant transports natural gas on behalf of others pursuant to §311(a)(2) of the Natural Gas Policy Act of 1978, 15 U.S.C. §3371, *et seq.*, and 18 C.F.R. 284.121-126 (2009).
3. On July 10, 2009, Applicant filed with the Railroad Commission of Texas (Commission) an application for review of the reasonableness of the transportation component of a natural gas city gate sales rate being charged under an existing gas sales contract.
4. On July 20, 2009, Applicant filed direct testimony and exhibits with the Commission supporting the application.
5. Applicant does not seek to change or modify any existing intrastate rates.
6. Due notice of this proceeding was served on all persons for whom Applicant performs §311(a)(2) transportation services.
7. This docket was processed informally without an evidentiary hearing. No motion to intervene or statement of protest was filed.
8. Applicant has shown that the rate of \$0.24 per MMBtu for the transportation component of a natural gas city gate sales rate is fair and equitable and not in excess of a cost-based rate.

**CONCLUSIONS OF LAW**

1. Applicant is an intrastate "gas utility" pursuant to TEX. UTIL. CODE §§101.003. (Vernon 2007 and Supp. 2009) and 121.001 (Vernon 2007).
2. The application is properly before the Commission pursuant to 15 U.S.C. §3371, *et seq.*, 18 C.F.R. 284.121-126 (2009) and TEX. UTIL. CODE §§102.001 and 121.151 (Vernon 2007).

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3. A rate of \$0.24 per MMBtu for the transportation component of a natural gas city gate sales rate is fair and equitable and not in excess of a cost-based rate.

**THE RAILROAD COMMISSION OF TEXAS** hereby finds that the rate of \$0.24 per MMBtu for the transportation component of a natural gas city gate sales rate being charged under an existing gas sales contract by Kinder Morgan Texas Pipeline LLC is fair and equitable and not in excess of a cost-based rate.

**IT IS HEREBY ORDERED** that Kinder Morgan Texas Pipeline LLC shall comply with all applicable curtailment orders of the Commission.

**IT IS FURTHER ORDERED** that all proposed findings of fact and conclusions of law not specifically adopted herein are **DENIED**.

**SIGNED** this 9<sup>th</sup> day of March, 2010.

**RAILROAD COMMISSION OF TEXAS**

/s/  
**CHAIRMAN VICTOR G. CARRILLO**

/s/  
**COMMISSIONER ELIZABETH A. JONES**

/s/  
**COMMISSIONER MICHAEL L. WILLIAMS**

**ATTEST:**

**Rachel Hampton**  
**SECRETARY**

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**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT FILED BY COSERV §  
GAS TO INCREASE THE RATES IN THE § GAS UTILITIES DOCKET NO. 9909  
UNINCORPORATED AREAS OF DENTON, §  
COLLIN, AND KAUFMAN COUNTIES. §**

**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV=T CODE ANN. Chapter 551, et seq. (Vernon 2008 & Supp. 2009). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

1. CoServ Gas Ltd. (CoServ) is a natural gas distribution utility as that term is defined in the Texas Utilities Code and is subject to regulation under the Texas Utilities Code.
2. CoServ distributes natural gas to approximately 64,000 residential and commercial customers located in Denton, Collin and Kaufman counties in north Texas.
3. CoServ owns and operates a gas distribution system that serves the following unincorporated areas:
  - City of Argyle Environs
  - Castle Hills Fresh Water District
  - Lantana Fresh Water District
  - City of McKinney Environs
  - City of Prosper Environs
  - City of Frisco Environs, and the
  - Windmill Farms Environs
4. These systems will be referred to as the CoServ Distribution System.
5. Approximately 88% of CoServ's customers are located inside incorporated areas, including the following twenty-six incorporated municipalities, referred to hereafter as the Incorporated Municipalities: Allen, Argyle, Bartonville, Celina, Corinth, Cross Roads, Denton, Double Oak, Fairview, Flower Mound, Fort Worth, Frisco, Highland Village, Little Elm, Lewisville, Lucas, McKinney, Murphy, Parker, Plano, Ponder, Prosper, St. Paul, Shady Shores, The Colony, and Wylie.
6. In December of 2008, CoServ filed *Statements of Intent* with each of the Incorporated Municipalities it serves and proposed to increase revenues, collectively by \$2,915,367 through the implementation of rate changes and a rate restructure.
7. The *Statements of Intent* followed the rate filing package format required by the City of Denton's Ordinance No. 2003 – 111 and complied with the requirements of 16 *Tex. Admin. Code* § 201(a).
8. CoServ's proposal to increase municipal rates was based upon a test year ending June 30, 2008.

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9. Several municipalities formed a coalition to evaluate CoServ's revenue increase proposal. The coalition included all of the Incorporated Municipalities except the City of Fairview, which allowed the rates to go into effect by operation of law.
10. CoServ reached an agreement with the coalition on a total revenue increase of \$1,300,000 applicable to incorporated areas and, following approval by the Railroad Commission of Texas (Commission), to unincorporated areas.
11. The portion of the settled amount applicable to the Incorporated Municipalities is \$1,170,910 and the portion applicable to the unincorporated areas is \$129,090.
12. The municipal ordinance adopting the rates provided the rates were to be charged on a system-wide basis and that no specific rate base, return, revenue or cost adjustments or ratemaking methodologies were approved in reaching the revenue requirement settlement that resulted in the rates and charges adopted by the ordinance.
13. Pursuant to the settlement agreement between CoServ and the coalition, each coalition city has enacted or will enact an ordinance adopting rates described in the settlement agreement tariffs.
14. Approximately 12% of CoServ's gas customers are located in unincorporated areas.
15. On September 10, 2009, CoServ filed *Statement of Intent* with the Railroad Commission to implement a \$129,090 rate increase in the following the unincorporated areas it serves, as outlined in Finding of Fact No. 3.
16. The *Statement of Intent* filed with the Commission complied with the requirements of 16 *Tex. Admin. Code* § 7.205(a) and § 7.210(a).
17. CoServ's proposed rate increase of \$129,090 is approximately 2.2% of annual revenues derived from unincorporated areas and is not a "major change" as that term is defined in *Tex. Util. Code Ann.* § 104.101.
18. In its *Statement of Intent*, CoServ proposed:
  - to implement the same rate in unincorporated areas as those implemented in incorporated areas, with the exception of the rate case expense surcharge,
  - that a new Weather Normalization adjustment be approved,
  - to recover the gas cost portion of uncollectible expenses through its purchase gas factor (PGF) clause,
  - to change the Credit/Debit Card Payment Charge from a fixed rate to the actual charge incurred, and
  - to recover rate case expenses through a surcharge to be applied for thirty-six months.
19. The test year, adjusted for known and measurable changes, used by CoServ to support the proposed rate changes for unincorporated areas is the same twelve months ending June 30, 2008, used by CoServ in the *Statement of Intent* filed at the municipal level.
20. CoServ's revenue increase request is driven, largely, by two factors. First, the company's customer base has more than doubled since the last rate case. Second, rate base and the number of employees grew significantly in order to serve the increase number of customers.
21. During the test year ending June 30, 2008, CoServ had 59,043 residential customers and 1,022 commercial customers in total service area comprised of both unincorporated and incorporated areas.
22. As of June 30, 2008, CoServ's total unadjusted customer volumes for the test year were 46,004,292 Ccfs, including 4,683,653 Ccfs for unincorporated areas and 41,320,639 Ccfs for incorporated areas.

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23. As of December 31, 2009, CoServ's total customer volumes for the calendar year were 49,359,690 Ccfs, including 5,281,088 Ccfs for unincorporated areas and 44,078,602 Ccfs for incorporated areas.
24. CoServ's volumes for unincorporated areas grew by approximately 13% from June 30, 2008 to December 31, 2009.
25. CoServ published notice of its intent to increase rates once each week for four consecutive weeks in a newspaper having general circulation in its service territory. Notice was published on October 20, October 27, November 3 and November 10, 2009.
26. On November 20, 2009, CoServ provided an *Affidavit of Publication* to demonstrate that notice was published, as supplemented on November 23, 2009.
27. CoServ's publication of notice fulfills the requirements in T.U.C. § 104.103(a)(a)(1).
28. CoServ's application includes 15 proposed rate schedules applicable to unincorporated areas, including Rate Schedules 1 through 4, 5.2, 5.21, 6.2 and 7 through 14, as described below:

SCHEDULE	CONTENTS	STATUS
Rate Schedule 1.0	Table of contents	New
Rate Schedule 2.0	Contact information at utility headquarters in Corinth, Texas	New
Rate Schedule 3.0	Identification of incorporated areas, unincorporated areas, and counties served by the utility	New
Rate Schedule 4.0	Definitions	Minor text correction
Rate Schedule 5.2	Residential customers, description of monthly base rates, the purchased gas factor (PGF), taxes, surcharges and the utility's line extension policy	Revised rates
Rate Schedule 5.21	Gross receipts tax factors applicable to environs	No change to existing tariff
Rate Schedule 6.2	Commercial customers, description of monthly base rates, the purchased gas factor (PGF), taxes, surcharges, and the utility's line extension policy	Revised rates
Rate Schedule 7.0	Purchased gas factor (PGF), annual review, treatment of lost and unaccounted for (LUG) imbalances, reconciliation factor calculations, reconciliation reporting requirement	Text change
Rate Schedule 8.0	Pipeline safety fee	No change from existing tariff
Rate Schedule 9.0	Rate case expense surcharge	Revised rates
Rate Schedule 10.0	Weather normalization adjustment	New
Rate Schedule 11.0	Miscellaneous service charges	Rate Schedule number change
Rate Schedule 12.0	Quality of service	Rate Schedule number change
Rate Schedule 13.0	Curtailment	Rate Schedule number change
Rate Schedule 14.0	Customer deposits	Rate Schedule number change

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29. During an informal conference with the Examiners on January 15, 2010, several modifications were made to the initially proposed rate schedules. The modified tariffs are attached to the Proposed Order in this case.
30. CoServ is affiliated with CoServ Electric, an electric cooperative that performs certain services for the gas operation, such as meter reading and customer billing. CoServ is affiliated with Llano Utility Services, Inc., a firm that provides construction services related to the gas system infrastructure. CoServ is also affiliated with CoServ Realty GP, LLC, a firm that provides office space to CoServ Gas Ltd.
31. CoServ has established that the affiliate expenses are reasonable and necessary and that the price charged by the supplying affiliate to CoServ are no higher than the prices charged to its other affiliate or divisions, or to a non-affiliated persons.
32. As required by 16 *Tex. Admin. Code* § 7.315(c), the unincorporated areas affected by the proposed rate change are listed on Rate Schedule 3.0.
33. As shown on Rate Schedules 5.2 and 6.2, the rates proposed for incorporated areas are as follows:

## RATES PROPOSED FOR UNINCORPORATED AREAS

	Residential Customers	Commercial Customers
Customer Charge	\$7 per month	\$13.50 per month
Volumetric Charge	\$.19771 per Ccf	\$.23043 per Ccf

34. As proposed in Rate Schedule 10.0, CoServ's weather normalization factor smoothes the effects of weather extremes on its revenues.
35. The weather normalization factor is based upon weather data published by the National Oceanic and Atmospheric Administration (NOAA) for the Dallas / Fort Worth International AP (KDFW) weather station.
36. CoServ has not established that the proposed rate case expenses of \$84,283.86 are just and reasonable.
37. The rate case expense request included expenses for tariffs that were never prepared or proposed to the Commission and it is not reasonable for CoServ to include expenses for tariffs that were never prepared or proposed.
38. The rate case expense request included expenses for notice of publication at the municipal level and notice of publication for the unincorporated areas. CoServ has not established that unincorporated customers should bear any expenses for publication of notice at the municipal level. Those are direct expenses attributable to the municipal proceedings and should be assigned to those jurisdictions.
39. The rate case expense request included expenses for binding, copying and delivery of documents at the municipal level. Those are direct expenses attributable to the municipal proceedings and should be assigned to those jurisdictions.
40. Based upon the particular facts presented in this proceeding, CoServ has established that \$79,969.83 in rate case expenses is just and reasonable.
41. CoServ has not established that it is reasonable to apply an interest rate of six percent to the un-recovered balance of rate case expenses.
42. It would be reasonable to set the interest rate at the level set by the Public Utility Commission for customer deposits, if rate case expenses were recovered over a period of 36 months.
43. In order to avoid additional interest expenses, it is reasonable to recover the rate case expenses over a period of

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12 months at a rate of \$.0151 per Ccf and that no interest be charged on the un-recovered portion during that period.

44. The rate case expense surcharge of \$.0151 is calculated in the same manner as the \$.03686 rate case expense surcharge resulting from CoServ's last rate case, that is, total rate case expenses of \$79,969.83 were divided by 5,281,088 annual Ccf volumes for unincorporated areas, with no interest applied.

#### CONCLUSIONS OF LAW

1. CoServ is a "gas utility" as defined in TEX. UTIL. CODE ANN. ' ' 101.003(7) (Vernon 1998 and Supp. 2009) and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. The Commission has jurisdiction over CoServ and CoServ's *Statement of Intent* under TEX. UTIL. CODE ANN. ' 102.001 (Vernon 1998 & Supp. 2009) and ' 104.001 (Vernon 1998 and Supp. 2009).
3. Under TEX. UTIL. CODE ANN. ' 102.001 (Vernon 1998 & Supp. 2009), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. Under the provisions of the TEXAS UTILITIES CODE, Chapter 104 and 16 TEX. ADMIN. CODE §§ 7.205, 7.210, 7.220, and 7.315 (2009), a utility is required to seek Commission approval before increasing its rates and filing revised tariff schedules for environs customers.
5. The *Statement of Intent* was processed in accordance with the requirements of the Gas Utility Regulatory Act (GURA) and the Administrative Procedure Act, TEX. GOV=T CODE ANN. ' ' 2001.001 *et seq.* (Vernon 2000 & Supp. 2009) ("APA").
6. In accordance with TEX. UTIL. CODE ANN. § 104.105(a) (Vernon 1998), the Commission held a hearing on January 21, 2010.
7. TEX. UTIL. CODE ANN. ' 104.107 (Vernon 1998 and Supp. 2009) provides the Commission authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
8. The proposed rates did not constitute a major change as defined by TEX. UTIL. CODE ANN. ' 104.101 (Vernon 1998).
9. In accordance with TEX. UTIL. CODE ANN. § 104.103 (Vernon 1998), 16 TEX. ADMIN. CODE ANN. § 7.230 (2009), and 16 TEX. ADMIN. CODE ANN. § 7.235 (2009), CoServ gave sufficient notice of its Statement of Intent to its customers.
10. The rates established in this case comply with the affiliate transaction standard set out in Tex. Util. Code Ann. § 104.055 (Vernon 2009). Namely, in establishing a gas utility's rates, the regulatory authority may not allow a gas utility's payment to an affiliate for the cost of a service, property, right or other item or for an interest expense to be included as capital cost or an expense related to gas utility service except to the extent that the regulatory authority finds the payment is reasonable and necessary for each item or class of items as determined by the regulatory authority. That finding must include (1) a specific finding of reasonableness and necessity to each class of items allowed; and (2) a finding that the price to the gas utility is not higher than the prices charged by the supplying affiliate to its other affiliates or divisions or to a nonaffiliated person for the same item or class of items.

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11. CoServ's *Statement of Intent* to change rates along with CoServ's responses to the Examiner's requests for information complied with the provisions of TEX. UTIL. CODE ANN. § 104.102 (Vernon 1998 and Supp. 2009), 16 TEX. ADMIN. CODE § 7.205, 7.210, and 7.220 (2009).
12. CoServ did not seek and the Commission did not set or approve the specific factors that would be necessary for an interim rate adjustment under TEX. UTIL. CODE § 104.301.
13. In accordance with 16 TEX. ADMIN. CODE § 7.315 (2009), within thirty days of the effective date of any change to rates, CoServ is required to file with the Gas Services Division of the Commission its revised tariffs electronically.

**IT IS ORDERED** that the attached tariffs, which reflect the rates and rate design in the findings of fact conclusions of law are **APPROVED**.

**IT IS FURTHER ORDERED** that, in accordance with 16 TEX. ADMIN. CODE § 7.315 (2009), within thirty days of the date this Order is signed, CoServ shall file tariffs electronically with the Gas Services Division. The tariffs shall incorporate rates consistent with this Order, as stated in the findings of fact and conclusions of law and consistent with the attached tariffs.

**IT IS FURTHER ORDERED** that CoServ's rates as requested and to the extent set out in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for service provided and for gas delivered on and after the date of this Order.

**IT IS FURTHER ORDERED** that CoServ **SHALL** recover \$79,969.83 in rate case expenses using \$.0151 per Ccf surcharge on all sales volumes, using a straight line amortization of expenditures on the declining balance over an approximate twelve-month period, without assessment of interest.

**IT IS FURTHER ORDERED** that CoServ **SHALL** show the rate case expenses surcharge of \$.0151 as a separate line item on its customers' bills.

**IT IS FURTHER ORDERED** that CoServ **SHALL** file an annual report detailing the recovery of rate case expenses. This report shall show the beginning balance, amount recovered by month by class of customer, the recovery expenses by class of customer, and the ending balance for each quarter. Each report shall be filed with the Director of the Gas Services Division of the Railroad Commission of Texas.

**IT IS FURTHER ORDERED** that CoServ **SHALL NOT** assess municipal franchise fees to customers located in the environs areas.

**IT IS FURTHER ORDERED** that CoServ **SHALL** include in its purchased gas factor only its reasonable and necessary gas purchase expenses, as set out in the attached Purchased Gas Factor tariff. The reasonableness and prudence of CoServ's gas purchases pursuant to its purchased gas factor may be subject to an adjustment and potential refund in a subsequent proceeding.

**IT IS FURTHER ORDERED** that CoServ **SHALL** file electronically with the Audit Section of the Gas Services Division a report notifying the Commission any time its policy and procedures for recovering uncollectible expenses change and CoServ shall annually file a summary report indicating uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs, and subsequent collected margin.

**IT IS FURTHER ORDERED** that CoServ **SHALL** maintain detailed information that will allow the Commission to audit the operation of the uncollectible gas cost recovery clause in its tariff.

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**IT IS FURTHER ORDERED** that CoServ's purchased gas cost calculation **SHALL** accurately reflect the cost of gas to CoServ.

**IT IS FURTHER ORDERED** that CoServ **SHALL** continue to adhere to the Commission's Quality of Service Rules, as stated in Rate Schedule 12.0.

**IT IS FURTHER ORDERED** that the proposed findings of fact and conclusions of law not specifically adopted herein are **DENIED**.

**IT IS FURTHER ORDERED** that CoServ may begin charging the approved rates for gas delivered and service provided on and after the date of this Order. This order will not be final and appealable, however, until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission.

Pursuant to TEX. GOV'T CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until ninety days from the date the order is served on the parties.

SIGNED this 9<sup>th</sup> day of March, 2010.

**RAILROAD COMMISSION OF TEXAS**

/s/  
**CHAIRMAN VICTOR G. CARRILLO**

/s/  
**COMMISSIONER ELIZABETH A. JONES**

/s/  
**COMMISSIONER MICHAEL L. WILLIAMS**

**ATTEST:**

Rachel Hampton  
**SECRETARY**

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**RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT FILED BY NATGAS  
INC. TO INCREASE RATES IN AND AROUND  
THE UNINCORPORATED COMMUNITY OF  
OZONA, TEXAS** :  
:  
:  
:  
:  
**GAS UTILITIES DOCKET NO. 9951**

**SUSPENSION ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time provided by law pursuant to TEX. GOV=T CODE ANN. Chapter 551 (Vernon 2008).

On February 11, 2010, Natgas, Inc. filed with the Railroad Commission of Texas (ACommission@) a statement of intent to change rates in and around the unincorporated community of Ozona, Texas. Natgas, Inc. has proposed that the rates become effective on April 1, 2010.

The Commission has the authority to suspend the proposed rates for a period of one hundred fifty (150) days from the date on which the rates would otherwise become effective, under TEX. UTIL. CODE ANN. ' 104.107(a)(2) (Vernon 2007 & Supp. 2008). The Commission requires further time to consider the propriety of the proposed rate change. A Commission order is necessary to suspend the operation of the proposed rate schedules for a period of one hundred fifty (150) days from the date on which the schedules would otherwise become effective.

**IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS** that the rates proposed in the statement of intent filed by Natgas, Inc. are hereby **SUSPENDED** for a period of one hundred fifty (150) days from the date the rates would otherwise go into effect.

SIGNED this 9<sup>th</sup> day of March, 2010.

**RAILROAD COMMISSION OF TEXAS**

/s/  
\_\_\_\_\_  
**CHAIRMAN VICTOR G. CARRILLO**

/s/  
\_\_\_\_\_  
**COMMISSIONER ELIZABETH A. JONES**

/s/  
\_\_\_\_\_  
**COMMISSIONER MICHAEL L. WILLIAMS**

**ATTEST:**

**Rachel Hampton**  
**SECRETARY**

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**SECTION 6**  
**MISCELLANEOUS**

**WILLIAM O. GEISE, GAS SERVICES DIVISION DIRECTOR**

**1. OFFICE OF THE DIRECTOR**

**A. Publications**

1. Texas Utilities Code Titles 3 and 4. Now available at the State of Texas' website at:

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

Special Rules of Practice and Procedure and Substantive Rules. Now available thru the Commission's Website at:

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=16&pt=1&ch=7](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7)

2.

- a. Annual Report for Fiscal Year– Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/index.php>

3. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - \$2.00 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/sixmcf/index.php>

**B. Interest Rate on Customer Deposits**

We have been advised by the Public Utility Commission that the interest rate to be applied to customer deposits in calendar year 2010 is 0.34%. All gas utilities should use 2.09% through December 31, 2009 and use 0.34% effective January 1, 2010.

**2. UTILITY AUDIT SECTION**

**A. Maintains headquarters and three district offices as follows:**

Headquarters - William B. Travis Building

1701 North Congress, P. O. Box 12967, Austin, Texas 78701

Ed Abrahamson, Director, Utility Audit Section

Pearl Rodriguez, Program Specialist

Telephone (512) 463-7022

Fax (512) 475-3180

Dallas District- 1546 Rowlett Rd., Suite 107, Garland, Texas 75043

Telephone (972) 240-5757

Fax (972) 303-1897

Yolandra Davis, Auditor

Josh Settle, Auditor

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Austin District- P. O. Box 12967, Austin, Texas 78711-2967

Telephone (512) 463-7022

Fax (512) 475-3180

Stephen Cooper, Senior Auditor

Houston District- 1706 Seamist Drive. Suite 501

Telephone (713) 869-8425

Houston, TX 77008-3135

Fax (713) 869-3219

Margie Stoney, Senior Auditor

Larry Alcorn, Auditor

Dale Francis, Auditor

LaToya Johnson, Auditor

Konata Uzoma, Auditor

**B. Gas Utility Tax, Annual Reports and Audit Reports**

1. Questions relating to gas utility tax, call Pearl Rodriguez at (512) 463-7022.
2. Questions relating to annual reports, call Pearl Rodriguez at (512) 463-7022.
3. Inquiries relating to audit reports, call Pearl Rodriguez at (512) 463-7022.

**C. Available Information**

Copies of gas utility annual reports (2000 to present), as well as information relating to any of the above, A through C, are available for review at the William B. Travis Building, Gas Services Division, 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 seven to ten business days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

**3. MARKET OVERSIGHT****A. Maintains the following office to assist you:**

Headquarters - William B. Travis Building  
1701 North Congress, P.O. Box 12967, Austin, Texas 78711  
Mark Evarts, Director

Telephone (512) 463-7164

**B. Gas Utilities Information Bulletin**

Published on the Commission's web site at:

<http://www.rrc.state.tx.us/forms/newsletters/gasutilitybulletins/index.php>**C. Proposals For Decision**Published on the Commission's web site at: <http://www.rrc.state.tx.us/meetings/dockets/index.php>**D. Tariff Filings**

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Kathy Arroyo, Yolanda Lovelace or Marie Blanco at (512) 463-7167.

**E. Curtailements**

Curtilment questions should be referred to (512) 463-7167. Curtilment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167. Curtilment reports made during hours other than those specified above and holidays, should be made to (512) 463-6788.

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- F. Compliance Filings**  
Questions regarding gas utilities docket compliance filing requirements should be referred to Mark Brock at (512) 463-7164.
- G. Complaints and Inquiries**  
All complaints and inquiries relating to the gas utility industry should be directed to the Market Oversight Section at (512) 463-7164.
- H. Pending RRC Rules and Regulations:**

**4. HEARINGS AND LEGAL ANALYSIS**

- A. Miscellaneous**  
Anyone wishing to obtain copies of appendices to Orders appearing in Section 5 of this Bulletin should contact the Legal Division at (512) 463-7017.
- B. Status of Pending Cases**  
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 Legal Division at (512) 463-7017.