

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 872



**RAILROAD COMMISSION
OF TEXAS**

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

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

July 25, 2009

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Orders were issued in the following dockets:

GUD No. 9837: Statement of Intent Filed by LDC, LLC to Change the Rates in the Unincorporated Areas in the Vicinity of Montgomery, Texas – *Final Order*.

GUD No. 9869: Statement of Intent Filed by Atmos Energy – Mid-Tex Division to Change the Rates in the Unincorporated Areas , Texas – *Interim Order*.

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SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 9890
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Danbury, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

DOCKET NO. -- 9891
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of El Lago, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

DOCKET NO. -- 9892
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Hitchcock, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

DOCKET NO. -- 9893
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Jones Creek, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

DOCKET NO. -- 9894
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Richwood, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

DOCKET NO. -- 9895
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Weston Lakes, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- April 30, 2009
FILED BY -- Kate Norman
EXAMINER -- Bill Geise

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DOCKET NO. -- 9896
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Galena Park, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- July 17, 2009
FILED BY -- Richard A. Zapalac
EXAMINER -- Bill Geise

DOCKET NO. -- 9897
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Jacinto City, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- July 17, 2009
FILED BY -- Richard A. Zapalac
EXAMINER -- Bill Geise

DOCKET NO. -- 9898
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of Southside Place, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- July 17, 2009
FILED BY -- Richard A. Zapalac
EXAMINER -- Bill Geise

DOCKET NO. -- 9899
CAPTION -- Application filed by CenterPoint Energy Entex to show the City of West University, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- July 17, 2009
FILED BY -- Richard A. Zapalac
EXAMINER -- Bill Geise

DOCKET NO. -- 9900
CAPTION -- Project to Establish a Natural Gas Conservation and Efficiency Program.
DATE FILED -- July 22, 2009
FILED BY -- Commission's Own Motion
EXAMINER -- Mark Evarts

DOCKET NO. -- 9901
CAPTION -- Severed Rate Case Expenses from GUD No. 9869.
DATE FILED -- July 22, 2009
FILED BY -- Christopher T. Forsythe
EXAMINER -- John Chakales

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

STATEMENT OF INTENT FILED BY LDC, LLC §
TO CHANGE THE RATES IN THE §
UNINCORPORATED AREAS IN THE VICINITY § GAS UTILITIES DOCKET
OF MONTGOMERY, TEXAS § NO. 9837
§

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 1994 & Supp. 2004). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. LDC, LLC ("LDC") is a utility as that term is defined in the Gas Utility Regulatory Act.
2. LDC owns and operates a gas distribution system that provides gas service to customers in Montgomery County, Texas.
3. On November 21, 2008, LDC filed a statement of intent to increase rates on customers located in the unincorporated areas in the vicinity of Montgomery, Texas.
4. On December 9, 2008, the Examiners ruled that LDC's statement of intent was incomplete and did not contain the information required for such filings under TEX. UTIL. CODE ANN. §§ 104.002, 104.102 and 104.103 (Vernon 2007 & Supp. 2008) and 16 TEX. ADMIN. CODE §§ 7.201, et seq. (2002).
5. On December 16, 2008, the Commission suspended the implementation of LDC's proposed rate changes for environs customers for up to 150 days pursuant to TEX. UTIL. CODE ANN. §104.107(a)(2).
6. On April 2, 2009, the Examiners ruled that LDC's statement of intent was completed on January 29, 2009, and that the earliest effective date the utility is entitled to is March 5, 2009.
7. The statutory deadline for Commission action on this docket is August 2, 2009.
8. No protests were filed with the Commission regarding the proposed new rate schedules for LDC; no customers or municipality filed a petition to intervene or otherwise participated in this proceeding.
9. A final hearing was conducted in Austin on June 4, 2009, to take testimony, other evidence, and legal argument on all issues of law and fact that were raised in or relevant to LDC's appeal and statement of intent, for the purpose of developing a record that the Commission will use in setting rates.
10. LDC completed its notice requirements by mailing notice directly to each affected customer.
11. The data submitted by LDC in this docket encompass a full test-year, i.e. the twelve-month period ending December 31, 2007, adjusted to December 31, 2008.

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12. LDC proposed rates for the following two classes of customers: residential and commercial.
13. There are approximately 459 residential and 19 commercial customers that will be affected by LDC's rate changes.
14. A capital structure of 44.91 percent long-term debt and 55.09 percent common equity is reasonable.
15. A cost of long-term debt for LDC of 7.50 percent is reasonable.
16. A cost of common equity for LDC of 8.50 percent is reasonable.
17. An overall rate of return of 8.05 percent based on the weighted average cost of capital is reasonable.
19. It is reasonable to set LDC's system-wide operating revenues at the level indicated in Examiners' Exhibit 1, attached hereto, for purposes of establishing LDC's overall cost of service.
20. It is reasonable to set LDC's system-wide operating expenses at the level indicated in Examiners' Exhibit 1, attached hereto, for purposes of establishing LDC's overall cost of service.
21. It is reasonable to set LDC's system-wide accumulated depreciation at the level indicated in Examiners' Exhibit 1, attached hereto, for purposes of establishing LDC's overall cost of service.
22. It is reasonable to set LDC's system-wide rate base at the level indicated in Examiners' Exhibit 1, attached hereto, for purposes of establishing LDC's overall cost of service.
23. It is reasonable to approve the miscellaneous service charges and fees, as shown on Examiners' Exhibit 2, attached hereto, for LDC's customers in Montgomery County, Texas.
24. The residential service rate, as shown on Examiners' Exhibit 1, is reasonable.
25. The commercial sales rate, as shown on Examiners' Exhibit 1, is reasonable.

CONCLUSIONS OF LAW

1. LDC, LLC ("LDC") is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 & Supp. 2008) and §121.001(2007) and is therefore subject to the jurisdiction of the Railroad Commission ("Commission") of Texas.
2. The Railroad Commission of Texas has jurisdiction over LDC and LDC's statement of intent under TEX. UTIL. CODE ANN. §§ 102.001, 104.001, 104.001 and 104.201 (Vernon 2007 & Supp. 2008).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007 & Supp. 2008), 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. This 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. §§2001.001-2001.902 (Vernon 2000 and Supp. 2004) (APA).
5. In accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 1998), the Commission has assured that the rates, operations, and services established in this

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docket are just and reasonable to customers and to the utilities.

6. TEX. UTIL. CODE ANN. §104.107 (Vernon 2007 & Supp. 2008) provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
7. In accordance with TEX. UTIL. CODE §104.103 (Vernon 2007 & Supp. 2008), 16 TEX. ADMIN. CODE ANN. §7.230 (2002), and 16 TEX. ADMIN. CODE ANN. §7.235 (2002), adequate notice was properly provided.
8. In accordance with the provisions of TEX. UTIL. CODE ANN. §104.102 (Vernon 2007 & Supp. 2008), 16 TEX. ADMIN. CODE ANN. §7.205 (2002), and 16 TEX. ADMIN. CODE §7.210 (2002), LDC filed its Statement of Intent to change rates.
9. The revenue, rates, rate design, and service charges proposed by LDC, as amended by the Examiners and identified in the schedules attached to this order, are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2007 & Supp. 2008).
10. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for LDC that will permit the company a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by TEX. UTIL. CODE ANN. § 104.051 (Vernon 2007 & Supp. 2008); and otherwise comply with Chapter 104 of the Texas Utilities Code.
11. The revenue, rates, rate design, and service charges proposed will not yield to LDC more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by TEX. UTIL. CODE ANN. § 104.052 (Vernon 2007 & Supp. 2008).
12. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. §104.053 (Vernon 2007 & Supp. 2008) and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost, less depreciation, and current cost, less adjustment for present age and condition.
13. In accordance with TEX. UTIL. CODE ANN. §104.054 (Vernon 2007 & Supp. 2008) and TEX. ADMIN. CODE §7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of LDC's property and facilities.
14. In this proceeding, LDC has the burden of proof under TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 & Supp. 2008) to show that the proposed rate changes are just and reasonable.
15. It is reasonable for the Commission to allow LDC to include a Purchase Gas Adjustment Clause in its rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE § 7.5519 (2002).
16. All expenses for lost and unaccounted for gas in excess of 5.0 percent shall be disallowed, consistent with TEX. ADMIN. CODE § 7.5519 (2002).
17. LDC is required by 16 TEX. ADMIN. CODE §7.315 (2002) to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
18. The rate setting methodologies set forth in TEX. UTIL. CODE ANN. §104.051 et seq. were used to set the rates in this proceeding.

IT IS THEREFORE ORDERED that LDC's proposed schedule of rates is hereby **DENIED**.

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IT IS FURTHER ORDERED that the rates, rate design, and service charges established in the findings of fact and conclusions of law and in the Examiners' Recommendation shown on the attached Schedules for LDC are **APPROVED**. **IT IS FURTHER ORDERED** that, in accordance with 16 TEX. ADMIN. CODE §7.315, within 30 days of the date this Order is signed, LDC shall file tariffs with the Gas Services Division. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown in the Examiners' Recommendation on the attached Schedules.

IT IS FURTHER ORDERED that LDC file an annual statement of its operations concurrent with its annual report. The annual statement of operation shall be filed with the Gas Services Division and shall contain information required by Gas Services Division staff.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**. **IT IS ALSO ORDERED** that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

IT IS FURTHER ORDERED THAT within 30 days of this order LDC **SHALL** electronically file tariffs and rates schedules in proper form that accurately reflect the rates approved by the Commission in this Order.

This Order will not be final and effective 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 90 days from the date the order is served on the parties.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 14th day of July, 2009.

RAILROAD COMMISSION OF TEXAS

/s/ _____
CHAIRMAN VICTOR G. CARRILLO

/s/ _____
COMMISSIONER ELIZABETH A. JONES

/s/ _____
COMMISSIONER MICHAEL L. WILLIAMS

ATTEST:

July 25, 2009

Kim Williamson
SECRETARY

RAILROAD COMMISSION OF TEXAS

**PETITION FOR DE NOVO REVIEW OF THE §
DENIAL OF THE STATEMENT OF INTENT §
FILED BY ATMOS ENERGY CORP., MID- §
TEX DIVISION BY THE CITY OF DALLAS; §
STATEMENT OF INTENT TO INCREASE §
GAS UTILITY RATES IN THE §
UNINCORPORATED AREAS SERVED BY §
THE MID-TEX DIVISION §
§
§**

GAS UTILITIES DOCKET NO. 9869

INTERIM 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 & Supp. 2008). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. Atmos Energy Corp., Mid-Tex Division ("Atmos") is a utility as that term is defined in the Texas Utility Code and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. Atmos owns and operates a gas distribution system that provides gas service to customers located within the City of Dallas ("Dallas").
3. On April 23, 2009, Atmos filed with the Commission a petition for *de novo* review of Dallas' denial of Atmos' statement of intent and reduction in rates.
4. On June 10, 2009, Atmos filed a motion to preclude certain issues from being litigated in this docket.

System-Wide Rates

5. As reflected in its petition for *de novo* review, Atmos proposes that system-wide rate design be applied in this case.
6. A system-wide rate design was approved by the Commission in the following dockets:
 - a. GUD No. 9672;
 - b. GUD No. 9670; and
 - c. GUD No. 9400.
7. As noted in GUD No. 9400, the Company's intent to set system-wide rates is consistent with 16 TEX. ADMIN. CODE § 7.220 (2005)

Materials and Supplies

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8. In its petition for *de novo* review, Atmos proposes that a thirteen-month time period be applied for the calculation for materials, supplies, and prepayments for purposes of its test-year analysis.

9. This methodology was adopted for Atmos and its predecessors in interest in the following dockets:

- a. GUD No. 9672;
- b. GUD No. 9670; and
- c. GUD No. 9400.

Federal Income Tax Factor

10. In its petition for *de novo* review, Atmos seeks the approval of an income tax factor of 0.5385 to the dollar return to equity included in the revenue requirements.

11. The income tax factor is computed based upon the statutory income tax rate of 35 percent.

12. The proposed income tax rate and factor have been determined by the Commission to be just and reasonable in the following dockets:

- a. GUD No. 9672;
- b. GUD No. 9670;
- c. GUD No. 9400;
- d. GUD No. 9145 – 9148; and
- e. GUD No. 8976.

Cost Allocation

13. Atmos seeks the approval of the use of a minimum distribution system with two-inch pipe as a method for allocation of a portion of the distribution system.

14. The concept of a minimum distribution system with two-inch pipe as the minimum system has been approved to allocate certain components of rate base in the following dockets:

- a. GUD No. 9672;
- b. GUD No. 9670; and
- c. GUD No. 9400.

Affiliate Transactions

15. In its *Statement of Intent*, Atmos Mid-Tex indicated that certain divisions of Atmos were intracompany division and that other divisions were affiliates, as that term is defined in the Gas Utility Regulatory Act.

16. The status of a division of Atmos as an affiliate or intracompany division is a question of fact to be determined at the hearing on the merits.

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17. In *City of Amarillo v. Railroad Commission of Texas*, 894 S.W.2d 491 (Tex. App. — Austin 1995, writ denied), the Austin Court of Appeals concluded that the affiliate standards of TEX. UTIL. CODE ANN § 104.055(b) do not apply to intracompany allocations or transactions.

Gas Cost

18. All issues related to the prudence of Atmos' gas purchases will not be considered in this docket.

CONCLUSIONS OF LAW

1. Atmos Energy Corp., Mid-Tex Division ("Atmos") is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 & Supp. 2008) and §121.001 (Vernon 2007 & Supp. 2008) and is therefore subject to the jurisdiction of the Railroad Commission ("Commission") of Texas.

2. Under TEX. UTIL. CODE ANN. §102.001(b) (Vernon 2007 & Supp. 2008) the Commission has exclusive appellate jurisdiction to review an order or ordinance of a municipality exercising exclusive original jurisdiction over a gas utility.

3. The Commission has jurisdiction over Atmos and Atmos' petition for *de novo* review under TEX. UTIL. CODE ANN. §§ 102.001, 103.051, 103.054, 103.055, 104.001 and 104.201 (Vernon 2007 & Supp. 2008).

4. In a proceeding involving a proposed rate change, the gas utility has the burden of proving that the rate change is just and reasonable. TEX. UTIL. CODE ANN. § 104.008 (Vernon 2007 & Supp. 2008).

5. Atmos' proposed methodology for fully accrued accounts is just and reasonable.

6. The proposed federal income tax rate and factor are just and reasonable.

7. Atmos' proposal to set system-wide rates is consistent with 16 TEX. ADMIN. CODE § 7.220 (2005), and the policy of setting system-wide rates, as proposed in the petition for *de novo* review is just and reasonable.

8. The adoption of a minimum distribution system with two-inch pipe comprising the minimum system as a methodology for allocation of certain components of rate base is just and reasonable.

9. 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 as 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 the reasonableness and necessity of each item or 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 non-affiliated person for the same item or class of items. TEX. UTIL. CODE ANN. § 104.055(b)

10. As set out in *City of Amarillo v. Railroad Commission of Texas*, 894 S.W.2d 491 (Tex. App. — Austin 1995, writ denied), the affiliate standards of TEX. UTIL. CODE ANN § 104.055(b) do not apply to intracompany allocations or transactions.

IT IS THEREFORE ORDERED that the thirteen-month time period applied for the calculation for materials, supplies, and prepayments for purposes of its test-year analysis shall not be subject to further litigation.

IT IS FURTHER ORDERED that issues related to the federal income tax rate and factor that Atmos applies in this case are precluded from further litigation. This ruling, however, does not preclude litigation of other calculations used to

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arrive at the proposed allowance for federal income taxes.

IT IS FURTHER ORDERED that issues regarding the implementation of system-wide rates be precluded from further litigation. This ruling, however, does not preclude litigation of all other aspects of the Atmos' proposed rate design.

IT IS FURTHER ORDERED that issues related to an allocation methodology that entails a minimum distribution system of two-inch pipe is precluded from further litigation. This ruling, however, does not preclude litigation of other calculations used in applying or arriving at the minimum distribution system allocation factors and amounts.

IT IS FURTHER ORDERED that the affiliate standards set out in TEX. UTIL. CODE ANN § 104.055(b) do not apply to intracompany transactions; that Atmos bears the burden of establishing intracompany allocations are just and reasonable; and that the status of a division of Atmos as an affiliate or intracompany division is a question of fact to be determined at the hearing on the merits.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Interim Order are hereby **DENIED**. **IT IS ALSO ORDERED** that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 14th day of July, 2009.

RAILROAD COMMISSION OF TEXAS

/s/

CHAIRMAN VICTOR G. CARRILLO

/s/

COMMISSIONER ELIZABETH A. JONES

/s/

COMMISSIONER MICHAEL L. WILLIAMS

ATTEST:

Kim Williamson

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 2007 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2007/index.php>

- b. Annual Report for Fiscal Year 2006 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2006/index.php>

- c. Annual Report for Fiscal Year 2005 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2005/index.php>

- d. Annual Report for Fiscal Year 2004 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2004/index.php>

- e. Annual Report for Fiscal Year 2003 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2003/index.php>

- f. Annual Report for Fiscal Year 2002 – Now available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2002/index.php>

- g. Annual Report for Fiscal Year 2001 – available via the Commission's website at:

<http://www.rrc.state.tx.us/data/gasservices/annualrpt/2001/index.php>

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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 2009 is 2.09%. All gas utilities should use 4.69% through December 31, 2008 and use 2.09% effective January 1, 2009.

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

Yolandra Davis, Auditor

Josh Settle, Auditor

Telephone (972) 240-5757

Fax (972) 303-1897

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

Stephen Cooper, Senior Auditor

Telephone (512) 463-7022

Fax (512) 475-3180

Houston District- 1706 Seamist Drive. Suite 501

Houston, TX 77008-3135

Margie Stoney, Senior Auditor

Larry Alcorn, Auditor

Dale Francis, Auditor

LaToya Johnson, Auditor

Konata Uzoma, Auditor

Telephone (713) 869-8425

Fax (713) 869-3219

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

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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. **Curtailments**

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

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:**

GUD No. 9277 Amendments to §7.305 Curtailment Rule

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.