

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 804



**RAILROAD COMMISSION
OF TEXAS**

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

**Stephen L. Pitner
Director
Gas Services Division**

September 25, 2006

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Orders were issued in the following dockets:

GUD 9530 ATMOS ENERGY CORP., MID-TEX DIVISION GAS COST REVIEW – *Final Orders*.

September 25, 2006

SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 9694
CAPTION -- New 16 Tex. Admin. Code §2.001, Relating to Informal Complaint Procedure, a Process for Addressing Disputes Among Entities within the Commission's Jurisdiction, including but not limited to, Natural Gas Purchasers, Sellers, Shippers, Transporters, and Gatherers.
DATE FILED -- September 13, 2006
FILED BY -- Commission's Own Motion
EXAMINER -- Mary Ross McDonald

DOCKET NO. -- 9695
CAPTION -- Rate Case Expenses Severed from Gas Utilities Docket No. 09670.
DATE FILED -- September 14, 2006
FILED BY --
EXAMINER -- Eugene Montes

DOCKET NO. -- 9696
CAPTION -- Proposed Revisions to the Gas Cost Review Process Severed from Gas Utilities Docket No. 09670.
DATE FILED -- September 14, 2006
FILED BY --
EXAMINER -- Eugene Montes

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.

September 25, 2006

SECTION 5
ORDERS OF THE COMMISSION

GAS UTILITIES DOCKET NO. 9530

<p style="text-align:center">ATMOS ENERGY CORP., MID-TEX DIVISION</p> <p style="text-align:center">GAS COST REVIEW</p>	<p>§</p> <p>§</p> <p>§</p>	<p>BEFORE THE</p> <p>RAILROAD COMMISSION</p> <p>OF TEXAS</p>
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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 2004 & Supp. 2005). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

BACKGROUND AND HISTORY

1. TXU Gas Distribution - Transmission initiated this case by filing its *TXU Gas Distribution - Transmission Compliance with Gas Utilities Docket No. 8664 and Motion for Final Order* (Compliance Filing) on September 24, 2004.
2. The Compliance Filing was made pursuant to the requirements of the Final Order in Tex. R.R. Comm'n, *Statement of Intent of Lone Star Gas Company and Lone Star Pipeline Company, Divisions of Enserch Corporation and Ensar Pipeline Company to Increase the Intracompany City Gate Rate*, (Nov. 25, 1997) (Second Order Nunc. Pro Tunc) ("GUD No. 8664").
3. Enserch merged with TXU Corporation in 1997, and became TXU Gas Company. TXU Gas Distribution was an unincorporated division of TXU Gas Company, and TXU Gas Distribution - Transmission, the entity that filed this case, was an operating unit of TXU Gas Distribution.
4. By agreement entitled Agreement and Plan of Merger, effective October 1, 2004, Atmos Energy Corporation acquired the operations of TXU Gas Company. After the closing of the transaction, the name of TXU Gas Distribution was changed to Atmos Energy Corp., Mid-Tex Division ("Atmos Mid - Tex" or "the Company"). References to Atmos Mid - Tex, or the Company, include, any, and all of the relevant predecessors in interest.
5. GUD No. 8664 required that the Company file with the Commission every thirty-six months, beginning from the date the Final Order was signed, an application for a reconciliation proceeding to demonstrate that its gas costs are reasonable and necessary.
6. The first triennial review after GUD No. 8664 was filed on July 16, 2001, and a final order was issued on April 23, 2004, Tex. R.R. Comm'n, *TXU Gas Distribution - Transmission Gas Cost Review*, (Gas Utils Div. April 23, 2004). (Final Order).
7. The first triennial review covered the period from November 1, 1997, through October 31, 2000.
8. The second triennial review, the period from November 1, 2000 through October 31, 2003, is the period of review at issue in this case and shall be referred to herein as the Review Period.

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9. The Company's Compliance Filing was docketed as GUD No. 9530.
 10. The Company mailed notice of its Compliance Filing to each incorporated municipality in which Atmos Mid - Tex provides gas service.
 11. The Company also published notice in newspapers of general circulation in each county in which Atmos Mid-Tex provides gas service.
 12. Several entities intervened in this proceeding.
 - a. The following municipalities intervened as the Atmos Cities Steering Committee (ACSC): Abilene, Addison, Alvarado, Angus, Arlington, Argyle, Austin, Bedford, Bellmead, Benbrook, Blue Ridge, Bowie, Bridgeport, Brownwood, Bryan, Burkburnett, Burleson, Caddo Mills, Carrollton, Cedar Hill, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Coppell, Corinth, Corral City, Crandall, Dalworthington Gardens, Denison, Desoto, Duncanville, Edgecliff Village, Ennis, Everman, Farmers Branch, Farmersville, Flower Mound, Fort Worth, Frisco, Gainesville, Garland, Grand Prairie, Grapevine, Haltom City, Harker Heights, Haskell, Haslet, Heath, Highland Park, Highland Village, Honey Grove, Hurst, Irving, Justin, Keene, Keller, Kennedale, Kaufman, Kerrville, Killeen, Krum, Lake Worth, Lamesa, Lancaster, Lewisville, Little Elm, McKinney, Mallakoff, Mansfield, Mesquite, Midlothian, Murphy, Northlake, North Richland Hills, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Plano, Ponder, Prosper, Putnam, Red Oak, Richardson, Richland Hills, Roanoke, Robinson, Rockwall, Rowlett, Sachse, Saginaw, San Angelo, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, The Colony, Town of Fairview, Trophy Club, University Park, Vernon, Waco, Watauga, Waxahachie, Westworth Village, Whitesboro, Woodway, and Wylie.
 - b. The following municipalities intervened as the Atmos Texas Municipalities (ATM): Balch Springs, Bandera, Belton, Burnett, Caldwell, Cedar Park, Celina, Clifton, Coleman, Copperas Cove, Corsicana, Crowley, Denton, Dublin, Electra, Frost, Gatesville, Goldthwaite, Granbury, Greenville, Groesbeck, Hamilton, Hickory Creek, Hillsboro, Lampasas, Lexington, Llano, Lometa, Longview, Mart, McGregor, Mexia, Pflugerville, Ranger, Round Rock, Seymour, Somerville, Thorndale, West and Whitney.
 - c. State of Texas, ACSC, and ATM, the City of Dallas and Staff of the Railroad Commission ("Staff") filed motions to intervene and those motions were granted. The City of Dallas was not aligned with either ACSC or ATM.
 13. The State of Texas, ACSC, ATM, the City of Dallas, and Staff will be collectively referred to as the Intervenors.
 14. Some Atmos Mid-Tex customers and cities within its service territory have not sought and have not been granted party status in GUD No. 9530, namely customers residing in environs areas and customers residing in cities that elected not to intervene. Those customers will be collectively referred to as the Non-Aligned Customers.
 15. Notice of Hearing was issued on June 3, 2005, and a hearing was held from June 15, 2005, through June 20, 2005.
 16. A Unanimous Settlement Agreement, dated September 7, 2006, has been entered into by Atmos Mid-Tex, ACSC, ATM, City of Dallas, State of Texas, and Staff. The Settlement Agreement is incorporated herein for all purposes as if fully set out.
 17. The Settlement Agreement resolves all issues regarding Atmos Mid - Tex' natural gas purchases during the

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Review Period as between Atmos Mid - Tex, on the one hand, and ACSC, ATM, City of Dallas, State of Texas, and Staff, on the other. The Settlement Agreement extends to and is binding upon the parties thereto, and applies to all customers residing in the City of Dallas, the ACSC cities, the ATM cities, those represented by the State of Texas, and all Non-Aligned Customers.

18. The provisions of the *Unanimous Settlement Agreement and Joint Request for Approval Thereof* are reasonable, in the public interest, are supported by a preponderance of the credible evidence in this record and should be adopted.

CONCLUSIONS OF LAW

1. Atmos Mid - Tex is a gas utility as defined in Texas Utilities Code. TEX. UTIL. CODE ANN. §§ 101.003(7) and 121.001 (Vernon Supp. 2004).
2. The Commission has jurisdiction over the subject matter of this case under TEX. UTIL. CODE ANN. §§ 102.001 and 103.001. (Vernon & Supp. 2004).
3. The Commission's decision, under 16 TEX. ADMIN. CODE § 7.5519, whether to allow a utility to recover gas cost through a purchased gas adjustment clause is discretionary.

IT IS ORDERED THAT the Settlement Agreement is **HEREBY** approved and adopted consistent with the foregoing findings of fact and conclusions of law.

IT IS FURTHER ORDERED THAT all relief not specifically granted herein is **DENIED**.

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 serviced on the parties.

SIGNED this 12th day of September, 2006.

RAILROAD COMMISSION OF TEXAS

/s/
CHAIRMAN ELIZABETH A. JONES

/s/
COMMISSIONER MICHAEL L. WILLIAMS

/s/
COMMISSIONER VICTOR G. CARRILLO

ATTEST:

Kim Williamson /s/
SECRETARY

September 25, 2006

RAILROAD COMMISSION OF TEXAS**ATMOS ENERGY CORPORATION
TRANSMISSION GAS COST REVIEW**,
,
,**GAS UTILITIES DOCKET
NO. 9530****FINAL ORDER ON RATE CASE EXPENSES**

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. 2006). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT**BACKGROUND AND HISTORY**

1. TXU Gas Distribution - Transmission initiated this case by filing its *TXU Gas Distribution -Transmission Compliance with Gas Utilities Docket No. 8664 and Motion for Final Order* (Compliance Filing) on September 24, 2004.
2. The Compliance Filing was made pursuant to the requirements of the Final Order in Tex. R.R. Comm=n, *Statement of Intent of Lone Star Gas Company and Lone Star Pipeline Company, Divisions of Enserch Corporation and Ensar Pipeline Company to Increase the Intracompany City Gas Rate*, (Nov. 25, 1997) (Second Order Nunc. Pro Tunc) (AGUD No. 8664").
3. Enserch merged with TXU Corporation in 1997, and became TXU Gas Company. TXU Gas Distribution was an unincorporated division of TXU Gas Company, and TXU Gas Distribution - Transmission, the entity that filed this case, was an operating unit of TXU Gas Distribution.
4. By an Agreement of Merger, effective October 1, 2004, Atmos Energy Corporation acquired the operations of TXU Gas Company. After the merger, the name of TXU Gas Distribution was changed to Atmos Energy Corp., Mid - Tex Division (AAtmos Mid - Tex@ or Athe Company@). References to Atmos Mid - Tex, the Company, include, any, and all of the relevant predecessors in interest.
5. GUD No. 8664 required that the Company file with the Commission every thirty-six months, beginning from the date the Final Order was signed, an application for a reconciliation proceeding to demonstrate that its gas costs are reasonable and necessary.
6. The first triennial review after GUD No. 8664 was filed on July 16, 2001, and a final order was issued on April 23, 2004, Tex. R.R. Comm=n, *TXU Gas Distribution - Transmission Gas Cost Review*, Docket No. 9233 (Gas Utils Div. April 23, 2004). (Final Order) (AGUD No. 9233").
7. The first triennial review covered the period from November 1, 1997, through October 31, 2000.
8. The second triennial review, the period from November 1, 2000 through October 31, 2003, is the period of review at issue in this case and shall be referred to herein as the Review Period.
9. GUD No. 8664 placed certain limitations on the Company with respect to its gas acquisition:

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- a. Affiliate purchases may be included at the lowest price charged by the affiliated supplier to other divisions, affiliates, or third parties for the same class of purchased gas.
 - b. Spot purchases made to cover imbalances to transportation customers may not be included.
 - c. The duplicative approximately \$0.58 per Mcf NGPA ' 311 transport fee component for LSGCOT/ONEOK purchases may not be included.
 - d. Any other similar double charges for transportation due to an NGPA ' 311 rate charged for service that is implicitly contained in the city gate rate, or any other cause, may not be included.
 - e. Charges under the LSGCOT/ONEOK contract may be included at LSGCOT=s actual cost.
 - f. Charges by affiliates of any margin above the affiliate=s cost of gas may not be included.
 - g. Take-or-pay payments to affiliated companies may not be included, unless the Company obtains the approval of the Director of the Gas Services Section in writing prior to inclusion, i.e., Contact No. 3708 Enserch Exploration, Inc.
10. The Company=s Compliance Filing was docketed as GUD No. 9530.
 11. The Company mailed notice of its Compliance Filing to each incorporated municipality in which Atmos Mid - Tex provides gas service.
 12. The Company also published notice in newspapers of general circulation in each county in which Atmos Mid-Tex provides gas service.
 13. Several entities intervened in this proceeding.
 - a. The following municipalities intervened as the Atmos Cities Steering Committee (ACSC): Abilene, Addison, Alvarado, Angus, Arlington, Argyle, Austin, Bedford, Bellmead, Benbrook, Blue Ridge, Bowie, Bridgeport, Brownwood, Bryan, Burkburnett, Bursleson, Caddo Mills, Carrollton, Cedar Hill, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Coppell, Corinth, Corral City, Crandall, Dalworthington Gardens, Denison, Desoto, Duncanville, Edgecliff Village, Ennis, Everman, Farmers Branch, Farmersville, Flower Mound, Fort Worth, Frisco, Gainesville, Garland, Grand Prairie, Grapevine, Haltom City, Harker Heights, Haskell, Haslet, Heath, Highland Park, Highland Village, Honey Grove, Hurst, Irving, Justin, Keene, Keller, Kennedale, Kaufman, Kerrville, Killeen, Krum, Lake Worth, Lamesa, Lancaster, Lewisville, Little Elm, McKinney, Mallakoff, Mansfield, Mesquite, Midlothian, Murphy, Northlake, North Richland Hills, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Plano, Ponder, Prosper, Putnam, Red Oak, Richardson, Richland Hills, Roanoke, Robinson, Rockwall, Rowlett, Sachse, Saginaw, San Angelo, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, The Colony, Town of Fairview, Trophy Club, University Park, Vernon, Waco, Watauga, Waxahachie, Westworth Village, Whitesboro, Woodway, and Wylie.
 - b. The following municipalities intervened as the Alliance of Texas Municipalities (ATM): Balch Springs, Bandera, Belton, Burnet, Caldwell, Cedar Park, Celina, Clifton, Coleman, Copperas Cove, Corsicana, Crowley, Denton, Dublin, Electra, Frost, Gatesville, Goldthwaite, Granbury,

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Greenville, Groesbeck, Hamilton, Hickory Creek, Hillsboro, Lampasas, Lexington, Llano, Lometa, Longview, Mart, McGregor, Mexia, Pflugerville, Ranger, Round Rock, Seymour, Sommersville, Thorndale, West, and Whitney.

- c. State of Texas, ACSC, and ATM, the City of Dallas and Staff of the Railroad Commission (AStaff@) filed motions to intervene and those motions were granted. The City of Dallas was not aligned with either ACSC or ATM.
14. The State of Texas, ACSC, ATM, the City of Dallas, and Staff will be collectively referred to as the Intervenors
15. In addition to the requirements set out in GUD No. 8664, the Commission set out general filing requirements in Tex. R.R. Comm=n, *Statement of Intent filed by TXU Gas Company to Change Rates in the Company=s Statewide Gas Utility System*, Docket No. 9400 (Gas Utils. Div. May 25, 2004) (final order) (AGUD No. 9400").
16. GUD No. 9400 required that the Compliance Filing made by Atmos Mid - Tex should include a Gas Purchase Report. The Gas Purchase Report should include the following items: (1) Gas Contract, (2) Contract Summary, (3) Monthly gas Purchase Schedule, and (4) Statement of Gas Hedging Procedures.
17. Notice of Hearing was issued on June 3, 2005, and a hearing was held from June 15, 2005, through June 20, 2005.

RATE CASE EXPENSES

18. The parties to this proceeding seek the recovery of \$1,783,322 in actual rate case expenses.
19. Atmos filed testimony and documentation to support its request of \$1,152,996.70 in rate case expenses.
20. The City of Dallas filed testimony and documentation in support of its request for \$133,513.07 in rate case expenses.
21. ACSC filed testimony and documentation in support of its request for \$320,100.05 in rate case expenses.
22. ATM filed testimony and documentation in support of its request for \$176,712.62 in rate case expenses.
23. In addition to actual rate case expenses, the parties also requested approval of an amount for expenses estimated to complete these proceedings.
24. Total projected costs were as follows: Atmos estimated \$75,000.00; ACSC estimated \$115,000; ATM estimated \$95,700.00; and, the City of Dallas estimated \$86,486.93.
25. Total expenses, including amounts estimated to complete these proceedings are \$2,155,508.93.

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CONCLUSIONS OF LAW

1. Atmos Mid - Tex is a gas utility as defined in Texas Utilities Code. TEX. UTIL. CODE ANN. ' ' 101.003(7) and 121.001 (Vernon Supp. 2006).
 2. The Commission has jurisdiction over the subject matter of this case under TEX. UTIL. CODE ANN. ' ' 102.001 and 103.001. (Vernon 1998 & Supp. 2006).
 3. The governing body of a municipality participating in or conducting a ratemaking proceeding may engage rate consultants, accountants, auditors, attorneys, and engineers to: (1) conduct investigations, present evidence, and advise and represent the governing body; and (2) assist the governing body with litigation or a gas utility ratemaking proceeding before a regulatory authority or court. TEX. UTIL. CODE ANN. ' 103.022(a) (Vernon 1998 & Supp. 2006).
 4. The gas utility in the ratemaking proceeding shall reimburse the governing body of the municipality for the reasonable cost of the services of a person engaged in a ratemaking proceeding to the extent the applicable regulatory authority determines reasonable. TEX. UTIL. CODE ANN. ' 103.022(a).
 5. In establishing a gas utility's rates, the regulatory authority shall establish the utility's overall revenues at an amount that will permit the utility a reasonable opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses. TEX. UTIL. CODE ANN. ' 104.051 (Vernon 1998 & Supp. 2006).
 6. In any rate proceeding, any utility and/or municipality claiming reimbursement for its rate case expenses pursuant to Texas Utilities Code, ' 103.022(b), shall have the burden to prove the reasonableness of such rate case expenses by a preponderance of the evidence. Each gas utility and/or municipality shall detail and itemize all rate case expenses and allocation and shall provide evidence showing the reasonableness of the cost of all professional services, including but not limited to:
 - (1) the amount of work done;
 - (2) the time and labor required to accomplish the work;
 - (3) the nature, extent, and difficulty of the work done;
 - (4) the originality of the work;
 - (5) the charges by others for work of the same or similar nature; and
 - (6) any other factors taken into account in setting the amount of the compensation.
- 16 TEX. ADMIN. CODE ' 7.5530(a) (2005).
7. In determining the reasonableness of the rate case expenses, the Commission shall consider all relevant factors including but not limited to those set out previously, and shall also consider whether the request for a rate change was warranted, whether there was duplication of services or testimony, whether the work was relevant and reasonably necessary to the proceeding, and whether the complexity and expense of the work was commensurate with both the complexity of the issues in the proceeding and the amount of the increase sought as well as the amount of any increase granted. 16 TEX. ADMIN. CODE ' 7.5530(b).
 8. The Austin Court of Appeals has ruled that a not all proceedings before a regulatory body are Aratemaking proceedings@ for purposes TEX. UTIL. CODE ANN. ' 103.022. *Southwestern Public Service Co. v. Public Utility Commission of Texas*, 962 S.W.2d 207 (Tex. App. C Austin 1998, *pet. denied*); *City of El Paso v. Public Utility Comm=n of Texas*, 609 S.W.2d 574 (Tex. App. C Austin 1980, *writ ref=d n.r.e.*) and *El Paso Electric Co. v.*

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Public Util. Comm'n of Texas 917 S.W.2d 846 (Tex. App. C Austin 1995) *judgm=t withdrawn and cause dism=d by agr.*, 917 S.W.2d 872 (Tex. App. C Austin 1996).

- 9. The Court of Appeals has also held that a retroactive prudence review of gas purchases is not a Aratemaking proceeding@ for purposes TEX. UTIL. CODE ANN. ' 103.022. *CenterPoint Energy Entex v. Railroad Commission* ___ S.W.3rd ___, 2006 WL 1041145 (Tex. App. C Austin, April 21, 2006, n.p.h.)

IT IS THEREFORE ORDERED THAT rate case expenses are not recoverable in this proceeding.

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.

SIGNED this 12th day of September, 2006.

RAILROAD COMMISSION OF TEXAS

/s/
ELIZABETH A. JONES
CHAIRMAN

/s/
MICHAEL L. WILLIAMS
COMMISSIONER

/s/
VICTOR G. CARRILLO
COMMISSIONER

ATTEST

/s/ Kim Williamson
SECRETARY

September 25, 2006

RAILROAD COMMISSION OF TEXAS

**ATMOS ENERGY CORPORATION
TRANSMISSION GAS COST REVIEW**

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**GAS UTILITIES DOCKET
NO. 9530**

ORDER VACATING FINAL ORDER ON RATE CASE EXPENSES

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. 2006). The Railroad Commission of Texas orders as follows:

On August 22, 2006, the Commission determined that rate case expenses are not recoverable in this proceeding. On September 12, 2006, the parties to these proceedings presented a unanimous settlement agreement. Accordingly, the Final Order on Rate Case Expenses is hereby **VACATED**.

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.

SIGNED this 12th day of September, 2006.

RAILROAD COMMISSION OF TEXAS

/s/ _____
ELIZABETH A. JONES
CHAIRMAN

/s/ _____
MICHAEL L. WILLIAMS
COMMISSIONER

/s/ _____
VICTOR G. CARRILLO
COMMISSIONER

ATTEST

/s/ Kim Williamson _____
SECRETARY

September 25, 2006

**SECTION 6
MISCELLANEOUS****STEPHEN L. PITNER, 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.capitol.state.tx.us/statutes/uttoc.html>
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 2004 – Now available via the Commission's website at:
<http://www.rrc.state.tx.us/divisions/gs/TABLECON04.htm>
 - b. Annual Report for Fiscal Year 2003 – Now available via the Commission's website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents03.html>
 - c. Annual Report for Fiscal Year 2002 – Now available via the Commission's website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents02.html>
 - d. Annual Report for Fiscal Year 2001 – available via the Commission's website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents01.html>
 - e. Annual Report for Fiscal Year 2000 - \$17.00 (includes statistical data for 1999)
 - f. Annual Report for Fiscal Year 1999 - \$9.00 (includes statistical data for 1998)
 - g. Annual Report for Fiscal Year 1998 - \$7.00 (includes statistical data for 1997)
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/divisions/gs/rap/sixmcf.html>

Anyone who wishes to obtain a copy of any of the publications or maps listed in Section A should contact the Central Records Section at 512-463-6887 OR 512-463-6882 P. O. Box 12967, Austin, Texas 78711-2967.

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 2006 is 3.09%. All gas utilities should use 6% through December 31, 2005 and use 3.09% effective January 1, 2006.

2. UTILITY AUDIT SECTION

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- A. Maintains headquarters and three district offices as follows:
- Headquarters - William B. Travis Building
1701 North Congress, P. O. Box 12967, Austin, Texas 78701 Telephone (512) 463-7022
Ed Abrahamson, Director, Utility Audit Section Fax (512) 475-3180
Shannon Miller, Program Specialist
Pearl Rodriguez, Program Specialist
Rachel Hampton, Administrative Assistant
- Dallas District- 1546 Rowlett Rd., Suite 107, Garland, Texas 75043 Telephone (972) 240-5757
Fax (972) 303-1897
Yolandra Davis, Auditor
Josh Settle, Auditor
- 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
Bryan L. Sparkman, Auditor
Konata Uzoma, Auditor

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

1. Questions relating to gas utility tax, call Rachel Hampton at (512) 463-7022.
2. Questions relating to annual reports, call Rachel Hampton or 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 (1999 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 five 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 Telephone (512) 463-7164
William O. Geise, Director
- B. **Gas Utilities Information Bulletin**
- Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gsap/rap/rapbls.html>
- C. **Proposals For Decision**
- Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gsap/pfds.html>

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- 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.