

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 769



**RAILROAD COMMISSION
OF TEXAS**

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

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

April 11, 2005

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
SECTION 1 - NEW APPEALS AND APPLICATIONS FILED	2
SECTION 2 - APPEALS AND APPLICATIONS SET FOR HEARING	2
SECTION 3 - STATUS OF PENDING CASES.....	2
SECTION 4 - NOTICES OF DISMISSAL	2
SECTION 5 - ORDERS OF THE COMMISSION	3 - 28
SECTION 6 - MISCELLANEOUS	29 - 31

Orders were issued in the following dockets:

GUD Docket No. 9533 Statement of Intent filed by CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., to Change Rates in the Unincorporated Areas of the South Texas Division.

GUD Docket No. 9534 Statement of Intent filed by CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., to Change Rates in the Unincorporated Areas of the Beaumont/East Texas Division.

APRIL 11, 2005

SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 9577
CAPTION -- Request Filed by Onalaska Water & Gas Supply for Approval for a Gas Tariff that would Provide for a Non-Interest Bearing Deposit.
DATE FILED -- March 28, 2005
FILED BY -- Bob Stutts
EXAMINER -- Rose Ruiz

DOCKET NO. -- 9578
CAPTION -- General Inquiry into the initial Rates filed by LDC, Inc. for Residential and Commercial Customers in the Willow Green Trailer Park Community.
DATE FILED -- February 14, 2005
FILED BY -- Larry D. Corley
EXAMINER -- Mark Brock

DOCKET NO. -- 9579
CAPTION -- Inquiry into the Failure of the Meridian Resource &* Exploration, LLC to Comply with Safety Standards.
DATE FILED -- March 28, 2005
FILED BY -- Commission's Own Motion
EXAMINER -- Elaine Moore

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.

APRIL 11, 2005

SECTION 5
ORDERS OF THE COMMISSION

RAILROAD COMMISSION OF TEXAS

**STATEMENT OF INTENT FILED BY
CENTERPOINT ENERGY ENTEX, A
DIVISION OF CENTERPOINT
ENERGY RESOURCES CORP., TO
CHANGE RATES IN THE
UNINCORPORATED AREAS OF THE
SOUTH TEXAS DIVISION** **GAS UTILITIES DOCKET NO. 9533**

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. CenterPoint Energy Entex ("Entex") is a utility as that term is defined in the Texas Utility Code.
2. Entex owns and operates a gas distribution system, referred to as the South Texas Division.
3. On October 13, 2004, Entex filed a Statement of Intent requesting that the Commission increase rates for customers located in the Environs of the South Texas Division ("ESOTD").
4. The ESOTD is comprised of the following unincorporated areas and rural localities: Agua Dulce, Alice, Aransas Pass, Banquete, Bastrop, Beeville, Bishop, Blessing, Bloomington, Bruni, Buda, Campbellton, Converse, D=Hanis, Driscoll, Eagle Lake, Edna, Edroy, El Campo, Elgin, Falls City, Floresville, Ganado, Giddings, Goliad, Hallettsville, Hebronville, Hondo, Inez, Ingleside, Jourdanton, Karnes City, Kenedy, Kingsville, Kyle, La Coste, La Grange, Laredo, Lolita, Louise, McQueeney, Marion, Mathis, Mirando City, New Braunfels, Nordheim, Odem, Oilton, Orange Grove, Palacios, Pettus, Placedo, Pleasanton, Port Lavaca, Portland, Poteet, Poth, Premont, Refugio, Runge, San Diego, San Marcos, Schertz, Schulenberg, Seadrift, Sequin, Sinton, Skidmore, Smithville, Taft, Tuleta, Universal City, Vanderbilt, Victoria, Weimar, and Yorktown.
5. Entex requested that the proposed new rates for all customer classes become effective on November 17, 2004.
6. On November 4, 2004, the Commission suspended the implementation of Entex's proposed

APRIL 11, 2005

rates for 150 days after the date the rate schedule would otherwise be effective.

7. On March 22, 2005, the Commission severed the rate case expenses issue out of GUD No. 9534 and into a separate docket, GUD 9576, Rate Case Expenses Severed from Gas Utilities Docket Nos. 9533 and 9534.
8. A final hearing was convened on February 9, 2005, recessed and reconvened on February 17, 2005, to take testimony, other evidence, and legal argument on all issues of law and fact that were raised in or relevant to Entex's statement of intent, for the purpose of developing a record that the commission will use in setting rates.
9. The evidentiary record was closed on March 22, 2005.
10. The utility's closing arguments were filed on March 3, 2005.
11. No protests were filed with the Commission regarding the proposed new rate schedules for the ESOTD; no Environs customer requested a hearing or filed a petition to intervene.
12. Entex published public notice of the proposed rate changes once a week for four or more consecutive weeks in newspapers of general circulation in each county that contains territory affected by the proposed changes.
13. Entex's publication of notice meets the statutory and rule requirements of notice and provides sufficient information to rate payers about the statement of intent.
14. Entex completed its requirement to publish notice on or before December 28, 2004.
15. The data submitted by Entex in this docket encompass a full test-year, i.e. the twelve-month period ending March 31, 2004.
16. Entex proposed rates for the following three classes of customers: residential, general service - small, and general service-large volume.
17. There are approximately 6,399 Residential, 540 General Service-Small, and 32 General Service-Large Volume customers that will be affected by Entex's rate changes for the ESOTD.

Rate Base / Invested Capital

18. Entex's proposed level of rate base, as requested in its statement of intent, is unreasonable
19. It is reasonable to adjust Entex's rate base for known and measurable changes as of December 31, 2004.
20. It is reasonable to set Entex's system-wide rate base at the level indicated in Schedule 2(a),

attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the South Texas Division.

21. It is reasonable to set plant and reserve balances, adjusted for known and measurable changes as of December 31, 2004, as shown in Schedule 2(a), attached hereto.

Rate of Return

22. Entex Gas Company's capital structure should be based on the average capital structure of a proxy group of local distribution companies (LDCs).
23. Based on an analysis of the proxy group a capital structure of 50.1 percent long-term debt, 0.04 percent preferred securities, and 49.86 percent common equity is reasonable.
24. A cost of long-term debt for Entex of 6.79 percent is reasonable.
25. A cost of preferred securities for Entex of 4.90 percent is reasonable.
26. A cost of common equity for Entex of 11.25 percent is reasonable.
27. An overall rate of return of 9.01 percent based on the weighted average cost of capital is reasonable.

Operating Revenues

28. Entex's proposed level of adjusted test-year operating revenues, as requested in its statement of intent, is unreasonable.
29. It is reasonable to set Entex's system-wide operating revenues at the level indicated in Schedule 4(a), attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the South Texas Division.

Operating Expenses

30. Entex's proposed level of adjusted test-year operating expenses, as requested in its statement of intent, is unreasonable.
31. It is reasonable to set Entex's system-wide operating expenses at the level indicated in Schedule 4(b), attached hereto, for purposes of establishing Entex's overall cost of service for its environs

customers in the South Texas Division.

Depreciation

32. Entex's proposed level of accumulated depreciation, as requested in its statement of intent, is unreasonable.
33. It is reasonable to set Entex's system-wide accumulated depreciation at the level indicated in Schedule 2(a), attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the South Texas Division.
34. It is reasonable for Entex to have used the equal life group (ELG) depreciation method.
35. It is reasonable to set Entex's system-wide depreciation rates at the levels indicated in Schedule 2(a), resulting in a composite depreciation rate of 3.5782%.

Federal Income Tax

36. Entex calculated its total federal income tax (FIT), based upon revenues and expenses and using the income tax rate of 35 percent.
37. It is reasonable to allow amounts for federal income tax based upon the statutory income tax rate of 35%, as proposed by Entex.

Taxes Other than FIT

38. It is reasonable to include taxes other than FIT in the calculation of Entex's cost of service, as shown in Schedule 4(a), attached hereto.
39. The ad valorem tax rate, as shown on Schedule 9, attached hereto, is reasonable.

Affiliate Expense

40. CNP Services is owned by CenterPoint Energy, Inc., which provides corporate services, shared services and information technology services pursuant to a service level agreement with Entex.
41. The affiliate transaction charges by CNP Services and allocated to Entex are reasonable and

necessary.

Weather Normalization Adjustment

42. Weather has an impact on the sale of gas to residential and commercial customers and therefore affects revenues.
43. It is reasonable to account for deviations during the test year from normal weather patterns by performing weather normalization adjustments.

Customer Growth Adjustment

44. Customer growth has an impact on the sale of gas to residential and commercial customers and therefore affects revenues.
45. It is reasonable to account for customer growth patterns during the test year by performing customer growth adjustments.

Purchased Gas Adjustment (PGA)

46. Entex's Purchased Gas Adjustment ("PGA") Rate Schedule PGA-3 is the same as the PGA approved by the Commission in GUD Nos. 9469 and 9528.
47. The PGA is reasonable under the criteria in 16 TEX. ADMIN. CODE ' 7.5519 (2002).
48. The base cost of gas included in the PGA is \$0.00.
49. The PGA will include gains and losses from the use of financial hedging instruments to achieve greater price stability.
50. The final Order in GUD 9469 required that beginning June 15, 2005, Entex will file annually with the Commission its Gas Purchase Plan and an annual report analyzing the results of its hedging practices showing its effect to purchased gas expense for the period of April 1, through March 31, of the preceding year.
51. It is reasonable and necessary for the Commission to require Entex to file a separate report applicable specifically to the SOTD.

Municipal Tax Adjustment

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52. As set forth in Entex's Cost of Service Schedule No. 4(b)(9), Entex has not allocated municipal franchise fees to the unincorporated areas of the South Texas Division in order to calculate its proposed rates in this docket. The attached Tax Adjustment Rate Schedule No. TA-3, as revised by the Examiners to provide for recovery of municipal franchise fees solely from inside the cities of the South Texas Division, is reasonable and is consistent with the Commission's final orders in GUD Nos. 9469 and 9528.

Miscellaneous Service Charges

53. Entex's proposed Schedule of Miscellaneous Service Charges Rate Schedule No. MISC-4 includes fees for the institution and restoration of service, after-hours service calls, turning off service to an active meter, special meter tests, change in customer meter, change in residential meter location, disconnection of service at main, restoration of service at main after termination, returned checks, and other miscellaneous service charges.
54. Entex's proposed Schedule of Miscellaneous Service Charges Rate Schedule No. MISC-4, attached hereto, is reasonable.

Limitation of Liability Language

55. Entex is subject to the Commission's curtailment standards and requirements.
56. Entex proposed to include in Rate Schedule GSLV-596 language to supplement the Commission's Curtailment standards and requirements.
57. Entex's proposed supplemental curtailment language relates to limitation of litigation claims made by Entex's customers against the utility for total or partial interruption of gas deliveries.
58. A contractual dispute by a customer against a utility for failure to deliver gas may be a contractual or tort claim that would be within the jurisdiction of a court of law.
59. Entex's proposed supplemental curtailment language is beyond the scope of the Commission's current curtailment standards and requirements.
60. It is reasonable for the Commission to disallow the proposed curtailment paragraph in Rate Schedule GSLV-596.

Over-Run Gas

61. Entex's charges for unauthorized over-run gas apply only to those customers that have negotiated a contract with the utility.
62. Charges for unauthorized over-run gas are necessary to encourage customers to accurately nominate gas requirements, to observe maximum daily quantities as specified in contract, and to comply with total and partial curtailment requirements.
63. It is reasonable for the Commission approve Entex's charge of \$10.00 per Mcf for unauthorized over-run.
64. It is reasonable for the Commission to approve Entex's adjustment to the unauthorized over-run charge amount to allow for full recovery of all amounts charged to Entex by its gas supplier, so long as Entex assesses to each unauthorized over-run customer the same charge amount in a consistent, non-discriminatory manner.
65. Entex shall credit to its cost of gas the amounts assessed by the utility to customers for unauthorized over-run charges.
66. It is reasonable for the Commission to approve unauthorized over-run gas charges in Rate Schedule GSLV-596, in order to promote accurate gas-needs nominations and to encourage compliance with the curtailment program and curtailment standards.

Cost Allocation and Rate Design

67. Entex's proposal to design rates for three customer classes is reasonable. The three customer classes proposed by Entex are the following: residential, general service - small, and general service - large volume.
68. It is reasonable to allocate the costs associated with Entex's environs customers in the South Texas Division for purposes of creating special rates for environs customers.
69. Entex's proposed rate design for each customer class, consisting of a minimum customer charge and two block volumetric rates, is unreasonable.
70. Entex's proposal to adjust volumetric rates for atmospheric pressure is reasonable.

APRIL 11, 2005

71. Residential rates, as shown on Schedule 6, consisting of a monthly customer charge of \$12.50 and a single volumetric charge of \$0.19438 at 14.65 Psi or \$0.19836 at 14.95 Psi, are reasonable.
72. General Service - small rates, as shown on attached Schedule 6, consisting of a monthly customer charge of \$15.00 and a single volumetric charge of \$0.10444 at 14.65 Psi or \$0.10658 at 14.95 Psi are reasonable.
73. General Service - large volume rates, as shown on Schedule 6, consisting of a monthly customer charge of \$42.00 and a single volumetric charge of \$0.07375 is reasonable.

CONCLUSIONS OF LAW

1. CenterPoint Energy Entex (Entex) is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. '101.003(7) (Vernon 1998 and Supp. 2004) and '121.001(Vernon 1998 and Supp. 2004) and is therefore subject to the jurisdiction of the Railroad Commission (Commission) of Texas.
2. The Railroad Commission of Texas (Commission) has jurisdiction over Entex and Entex's Statement of Intent under TEX. UTIL. CODE ANN. '102.001 (Vernon 1998 and Supp. 2004), '104.001 (Vernon 1998 and Supp. 2004), '104.001 (Vernon 1998), and '104.201(Vernon 1998).
3. Under TEX. UTIL. CODE ANN. '102.001 (Vernon 1998 and Supp. 2004), 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 docket are just and reasonable to customers and to the utilities.
6. TEX. UTIL. CODE ANN. '104.107 (Vernon 1998 and Supp. 2004) 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. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. '104.101

APRIL 11, 2005

(Vernon 1998).

8. In accordance with TEX. UTIL. CODE '104.103 (Vernon 1998), 16 TEX. ADMIN. CODE ANN. '7.230 (2002), and 16 TEX. ADMIN. CODE ANN.'7.235 (2002), adequate notice was properly provided.
9. In accordance with the provisions of TEX. UTIL. CODE ANN. '104.102 (Vernon 1998 and Supp. 2003), 16 TEX. ADMIN. CODE ANN. '7.205 (2002), and 16 TEX. ADMIN. CODE '7.210 (2002), Entex filed its Statement of Intent to change rates.
10. Entex failed to meet its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. '104.008 (Vernon 1998) on the elements of its requested rate increase identified in this order.
11. The rates proposed by Entex are in accordance with TEX. UTIL CODE ANN. '104.006 (Vernon 1998) because the rates established for customers of each environs area do not exceed 115 percent of the average of all rates for similar services for all municipalities served by Entex in the same county.
12. Entex's intent to set special rates for environs customers is consistent with 16 TEX. ADMIN. CODE '7.115(33) (2002), that provides that special rates are residential and commercial rates for a gas utility applicable to natural gas sales and service established pursuant to Commission orders applicable only to service by a given utility within a specified area and not specifically keyed to the rates charged in any incorporated area.
13. The revenue, rates, rate design, and service charges proposed by Entex are not found to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, and are not sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. '104.003 (Vernon 1998).
14. The revenue, rates, rate design, and service charges proposed by Entex, 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 1998).
15. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for Entex 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

APRIL 11, 2005

over and above its reasonable and necessary operating expenses, as required by TEX. UTIL. CODE ANN. ' 104.051 (Vernon 1998); and otherwise comply with Chapter 104 of the Texas Utilities Code.

16. The revenue, rates, rate design, and service charges proposed will not yield to Entex more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public to the public, as required by TEX. UTIL. CODE ANN. ' 104.052 (Vernon 1998).
17. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. ' 104.053 (Vernon 1998) 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.
18. In accordance with TEX. UTIL. CODE ANN. ' 104.054 (Vernon 1998) and TEX. ADMIN. CODE ' 7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of Entex's property and facilities.
19. In this proceeding, Entex has the burden of proof under TEX. UTIL. CODE ANN. ' 104.008 (Vernon 1998) to show that the proposed rate changes are just and reasonable.
20. Under TEX. UTIL. CODE ANN. ' 104.055(b), payments to affiliates are excluded from Entex's invested capital or operating expenses unless the Railroad Commission of Texas specifically finds each item or class of items reasonable and necessary and finds that the price to Entex 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.
21. Under TEX. UTIL. CODE ANN. ' 104.055(b), the CNP Services charges to Entex are affiliate transactions subject to the requirements of the Texas Utilities Code.
22. As provided in the findings of fact, Entex met its burden of proof to meet the requirements of TEX. UTIL. CODE ANN. ' 104.055(b) for all of its affiliate transactions.
23. As provided in the findings of fact, Entex met its burden of establishing that transactions charged to Entex from its affiliates are reasonable and necessary and Entex does not pay more than the price charged to other affiliates or divisions or to a non-affiliated person for the same item or class of items.
24. Rate case expenses for GUD No. 9534 will be considered by the Commission in accordance with TEX. UTIL. CODE ANN. ' 104.008 (Vernon 1998), and 16 TEX. ADMIN. CODE ' 7.5530 (2002), in a

APRIL 11, 2005

separate proceeding.

25. It is reasonable for the Commission to allow Entex to include a Purchased Gas Adjustment in its environs rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE ' 7.5519 (2002).
26. 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).
27. Entex 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.
28. 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 Entex's proposed schedule of rates is hereby **DENIED**.

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 Entex 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, Entex 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 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 Entex **SHALL** include in its purchased gas adjustment only its reasonable and necessary gas purchase expenses, including direct costs of financial hedging instruments; and, that the reasonableness and prudence of Entex's gas purchases pursuant to its Purchased Gas Adjustment clause may be subject to an adjustment and potential refund in a subsequent proceeding.

IT IS FURTHER ORDERED THAT Entex **SHALL** apply all amounts assessed for unauthorized over-run charges as a credit or decrease to its cost of gas.

APRIL 11, 2005

IT IS FURTHER ORDERED THAT Entex **SHALL** be limited to use the following language in the Supply Interruptions section of its general service - large volume tariff: A shortage of gas due to acts of God, the elements, or requirements for residential and other uses declared superior to Consumers by law, shall not be the basis for claims. The delivery and receipt of gas is to be resumed whenever any such shortage shall end.

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

IT IS FURTHER ORDERED THAT no limited liability language shall be approved as a supplemental curtailment provision. 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 5th day of April, 2005.

RAILROAD COMMISSION OF TEXAS

/s/
CHAIRMAN VICTOR G. CARRILLO

/s/
COMMISSIONER MICHAEL L. WILLIAMS

/s/
COMMISSIONER ELIZABETH A. JONES

ATTEST:

/s/ Kim Williamson
SECRETARY

RAILROAD COMMISSION OF TEXAS

STATEMENT OF INTENT FILED BY ' |
CENTERPOINT ENERGY ENTEX, A ' |
DIVISION OF CENTERPOINT ' |
ENERGY RESOURCES CORP., TO ' | GAS UTILITIES DOCKET NO. 9534
CHANGE RATES IN THE ' |
UNINCORPORATED AREAS OF THE ' |
BEAUMONT/EAST TEXAS DIVISION ' |

APRIL 11, 2005

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. CenterPoint Energy Entex ("Entex") is a utility as that term is defined in the Texas Utility Code.
2. Entex owns and operates a gas distribution system, referred to as the Beaumont/East Texas Division.
3. On October 13, 2004, Entex filed a Statement of Intent requesting that the Commission increase rates for customers located in the Environs of the Beaumont/East Texas Division ("EBETD").
4. The EBETD is comprised of the following unincorporated areas and rural localities: Ames, Anahuac, Arp, Atlanta, Avinger, Beaumont, Beauxart Gardens, Bridge City, Buna, Beckville, Big Sandy, Bloomburg, Bronson, Bullard, Cheek, China, Cleveland, Comesneil, Corrigan, Carthage, Center, Central, Crockett, Dayton, Dangerfield, DeBerry, DeKalb, Diboll, Dodge, Douglasville, Evadale, East Mountain, Eastham Farm, Edgewood, Elkhart, Ellis-Ferguson Farms, Elysian Fields, Fruitvale, Fuller Springs, Gilmer, Gladewater, Grand Saline, Grapeland, Groveton, Goodrich, Hallsville, Hawkins, Henderson, Hooks, Hudson, Hughes Spring, Huntsville, Jacksonville, Jefferson, Jonesville, Jasper, Kirbyville, Kilgore, Leggett, Liberty, Livingston, Lumberton, Laird Hill, Latexo, Leary, Lindale, Linden, Lone Star, Longview, Lovelady, Lufkin, Mauriceville, Marshall, Maud, McLeod, Mineola, Mt. Pleasant, Mt. Vernon, New Willard, Nacogdoches, Naples, Neches, New Boston, New London, Omaha, Ore City, Overton, Orange, Pine Forest, Pittsburg, Price, Queen City, Redland, Red Lick, Riverside, Rusk, Rose City, Rose Hill Acres, Saratoga, Shepherd, Silsbee, Sour Lake, Stowell, San Augustine, Scottsville, Swan, Sylvan-Harmony, Talco, Tatum, Teneha, Timpson, Trinity, Troup, Turnertown, Tyler, Uncertain, Union Grove, Van Waskom, Victory Gardens, Vidor, Winnie, Wills Point, Winfield, and Winsboro.
5. Entex requested that the proposed new rates for all customer classes become effective on November 17, 2004.
6. On November 4, 2004, the Commission suspended the implementation of Entex's proposed rates for 150 days after the date the rate schedule would otherwise be effective.
7. On March 22, 2005, the Commission severed the rate case expenses issue out of GUD No. 9534 and into a separate docket, GUD 9576, Rate Case Expenses Severed from Gas Utilities Docket Nos. 9533 and 9534.

8. A final hearing was convened on February 9, 2005, recessed and reconvened on February 17, 2005, to take testimony, other evidence, and legal argument on all issues of law and fact that were raised in or relevant to Entex's statement of intent, for the purpose of developing a record that the commission will use in setting rates.
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16. Entex proposed rates for the following three classes of customers: residential, general service - small, and general service-large volume.
17. There are approximately 24,502 Residential, 2,012 General Service-Small, and 50 General Service-Large Volume customers that will be affected by Entex's rate changes for the EBETD.

Rate Base / Invested Capital

18. Entex's proposed level of rate base, as requested in its statement of intent, is unreasonable
19. It is reasonable to adjust Entex's rate base for known and measurable changes as of December 31, 2004.
20. It is reasonable to set Entex's system-wide rate base at the level indicated in Schedule 2(a), attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the Beaumont/East Texas Division.

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21. It is reasonable to set plant and reserve balances, adjusted for known and measurable changes as of December 31, 2004, as shown in Schedule 2(a), attached hereto.

Rate of Return

22. Entex Gas Company's capital structure should be based on the average capital structure of a proxy group of local distribution companies (LDCs).
23. Based on an analysis of the proxy group a capital structure of 50.1 percent long-term debt, 0.04 percent preferred securities, and 49.86 percent common equity is reasonable.
24. A cost of long-term debt for Entex of 6.79 percent is reasonable.
25. A cost of preferred securities for Entex of 4.90 percent is reasonable.
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Operating Expenses

30. Entex's proposed level of adjusted test-year system-wide operating expenses, as requested in its statement of intent, is unreasonable.
31. It is reasonable to set Entex's system-wide operating expenses at the level indicated in Schedule 4(b), attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the Beaumont/East Texas Division.

Depreciation

32. Entex's proposed level of accumulated depreciation, as requested in its statement of intent, is unreasonable.
33. It is reasonable to set Entex's system-wide accumulated depreciation at the level indicated in Schedule 2(a), attached hereto, for purposes of establishing Entex's overall cost of service for its environs customers in the Beaumont/East Texas Division.
34. It is reasonable for Entex to have used the equal life group (ELG) depreciation method.
35. It is reasonable to set Entex's system-wide depreciation rates at the levels indicated in Schedule 2(a), resulting in a composite depreciation rate of 3.6310%.

Federal Income Tax

36. Entex calculated its total federal income tax (FIT), based upon revenues and expenses and using the income tax rate of 35 percent.
37. It is reasonable to allow amounts for federal income tax based upon the statutory income tax rate of 35%, as proposed by Entex.

Taxes Other than FIT

38. It is reasonable to include taxes other than FIT in the calculation of Entex's cost of service, as shown in Schedule 4(a), attached hereto.
39. The ad valorem tax rate, as shown on Schedule 9, attached hereto, is reasonable.

Affiliate Expense

40. CNP Services is owned by CenterPoint Energy, Inc., which provides corporate services, shared services and information technology services pursuant to a service level agreement with Entex.
41. The affiliate transaction charges by CNP Services and allocated to Entex are reasonable and necessary.

Weather Normalization Adjustment

42. Weather has an impact on the sale of gas to residential and commercial customers and therefore affects revenues.

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43. It is reasonable to account for deviations during the test year from normal weather patterns by performing weather normalization adjustments.

Customer Growth Adjustment

44. Customer growth has an impact on the sale of gas to residential and commercial customers and therefore affects revenues.
45. It is reasonable to account for customer growth patterns during the test year by performing customer growth adjustments.

Purchased Gas Adjustment (PGA)

46. Entex's Purchased Gas Adjustment ("PGA") Rate Schedule PGA-3 is the same as the PGA approved by the Commission in GUD Nos. 9469 and 9528.
47. The PGA is reasonable under the criteria in 16 TEX. ADMIN. CODE ' 7.5519 (2002).
48. The base cost of gas included in the PGA is \$0.00.
49. The PGA will include gains and losses from the use of financial hedging instruments to achieve greater price stability.
50. The final Order in GUD 9469 required that beginning June 15, 2005, Entex will file annually with the Commission its Gas Purchase Plan and an annual report analyzing the results of its hedging practices showing its effect to purchased gas expense for the period of April 1, through March 31, of the preceding year.
51. It is reasonable and necessary for the Commission to require Entex to file a separate report applicable specifically to the BETD.

Municipal Tax Adjustment

52. As set forth in Entex=s Cost of Service Schedule No. 4(b)(12), Entex has not allocated municipal franchise fees to the unincorporated areas of the Beaumont/East Texas Division in order to calculate its proposed rates in this docket. The attached Tax Adjustment Rate Schedule No. TA-4, as revised by the Examiners to provide for recovery of municipal franchise fees solely from inside the cities of the Beaumont/East Texas Division, is reasonable and is consistent with the

Commission's final orders in GUD Nos. 9469 and 9528.

Miscellaneous Service Charges

53. Entex's proposed Schedule of Miscellaneous Service Charges Rate Schedule No. MISC-5 includes fees for the institution and restoration of service, after-hours service calls, turning off service to an active meter, special meter tests, change in customer meter, change in residential meter location, disconnection of service at main, restoration of service at main after termination, returned checks, and other miscellaneous service charges.
54. Entex's proposed Schedule of Miscellaneous Service Charges Rate Schedule No. MISC-5, attached hereto, is reasonable.

Limitation of Liability Language

55. Entex is subject to the Commission's curtailment standards and requirements.
56. Entex proposed to include in Rate Schedule GSLV-596 language to supplement the Commission's Curtailment standards and requirements.
57. Entex's proposed supplemental curtailment language relates to limitation of litigation claims made by Entex's customers against the utility for total or partial interruption of gas deliveries.
58. A contractual dispute by a customer against a utility for failure to deliver gas may be a contractual or tort claim that would be within the jurisdiction of a court of law.
59. Entex's proposed supplemental curtailment language is beyond the scope of the Commission's current curtailment standards and requirements.
60. It is reasonable for the Commission to disallow the proposed curtailment paragraph in Rate Schedule GSLV-596.

Over-Run Gas

61. Entex's charges for unauthorized over-run gas apply only to those customers that have negotiated a contract with the utility.
62. Charges for unauthorized over-run gas are necessary to encourage customers to accurately nominate gas requirements, to observe maximum daily quantities as specified in contract, and to comply with total and partial curtailment requirements.

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63. It is reasonable for the Commission approve Entex's charge of \$10.00 per Mcf for unauthorized over-run.
 64. It is reasonable for the Commission to approve Entex's adjustment to the unauthorized over-run charge amount to allow for full recovery of all amounts charged to Entex by its gas supplier, so long as Entex assesses to each unauthorized over-run customer the same charge amount in a consistent, non-discriminatory manner.
 65. Entex shall credit to its cost of gas the amounts assessed by the utility to customers for unauthorized over-run charges.
 66. It is reasonable for the Commission to approve unauthorized over-run gas charges in Rate Schedule GSLV-596, in order to promote accurate gas-needs nominations and to encourage compliance with the curtailment program and curtailment standards.

Cost Allocation and Rate Design

67. Entex=s proposal to design rates for three customer classes is reasonable. The three customer classes proposed by Entex are the following: residential, general service - small, and general service - large volume.
68. It is reasonable to allocate the costs associated with Entex=s environs customers in the Beaumont/East Texas Division for purposes of creating special rates for environs customers.
69. Entex's proposed rate design for each customer class, consisting of a minimum customer charge and two block volumetric rates, is unreasonable.
70. Entex=s proposal to adjust volumetric rates for atmospheric pressure is reasonable.
71. Residential rates, as shown on Schedule 6, consisting of a monthly customer charge of \$13.00 and a single volumetric charge of \$0.14952 at 14.65 Psi, \$0.15258 at 14.95 Psi, or \$0.15034 at 14.73 Psi are reasonable.
72. General Service - small rates, as shown on attached Schedule 6, consisting of a monthly customer charge of \$16.25 and a single volumetric charge of \$0.09240 at 14.65 Psi, \$0.09429 at 14.95 Psi, or \$0.09290 at 14.73 Psi are reasonable.
73. General Service - large volume rates, as shown on Schedule 6, consisting of a monthly customer charge of \$35.25 and a single volumetric charge of \$0.06784 is reasonable.

APRIL 11, 2005

CONCLUSIONS OF LAW

1. CenterPoint Energy Entex (Entex) is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. ' 101.003(7) (Vernon 1998 and Supp. 2004) and ' 121.001(Vernon 1998 and Supp. 2004) and is therefore subject to the jurisdiction of the Railroad Commission (Commission) of Texas.
2. The Railroad Commission of Texas (Commission) has jurisdiction over Entex and Entex's Statement of Intent under TEX. UTIL. CODE ANN. ' 102.001 (Vernon 1998 and Supp. 2004), ' 104.001 (Vernon 1998 and Supp. 2004), ' 104.001 (Vernon 1998), and ' 104.201(Vernon 1998).
3. Under TEX. UTIL. CODE ANN. ' 102.001 (Vernon 1998 and Supp. 2004), 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 docket are just and reasonable to customers and to the utilities.
6. TEX. UTIL. CODE ANN. ' 104.107 (Vernon 1998 and Supp. 2004) 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. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. ' 104.101 (Vernon 1998).
8. In accordance with TEX. UTIL. CODE ' 104.103 (Vernon 1998), 16 TEX. ADMIN. CODE ANN. ' 7.230 (2002), and 16 TEX. ADMIN. CODE ANN.' 7.235 (2002), adequate notice was properly provided.
9. In accordance with the provisions of TEX. UTIL. CODE ANN. ' 104.102 (Vernon 1998 and Supp. 2003), 16 TEX. ADMIN. CODE ANN. ' 7.205 (2002), and 16 TEX. ADMIN. CODE ' 7.210 (2002), Entex filed its Statement of Intent to change rates.

APRIL 11, 2005

10. Entex failed to meet its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. ' 104.008 (Vernon 1998) on the elements of its requested rate increase identified in this order.
11. The rates proposed by Entex are in accordance with TEX. UTIL. CODE ANN. ' 104.006 (Vernon 1998) because the rates established for customers of each environs area do not exceed 115 percent of the average of all rates for similar services for all municipalities served by Entex in the same county.
12. Entex's intent to set special rates for environs customers is consistent with 16 TEX. ADMIN. CODE ' 7.115(33) (2002), that provides that special rates are residential and commercial rates for a gas utility applicable to natural gas sales and service established pursuant to Commission orders applicable only to service by a given utility within a specified area and not specifically keyed to the rates charged in any incorporated area.
13. The revenue, rates, rate design, and service charges proposed by Entex are not found to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, and are not sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. ' 104.003 (Vernon 1998).
14. The revenue, rates, rate design, and service charges proposed by Entex, 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 1998).
15. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for Entex 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 1998); and otherwise comply with Chapter 104 of the Texas Utilities Code.
16. The revenue, rates, rate design, and service charges proposed will not yield to Entex more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public to the public, as required by TEX. UTIL. CODE ANN. ' 104.052 (Vernon 1998).
17. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN.

APRIL 11, 2005

- ' 104.053 (Vernon 1998) 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.
18. In accordance with TEX. UTIL. CODE ANN. ' 104.054 (Vernon 1998) and TEX. ADMIN. CODE ' 7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of Entex's property and facilities.
 19. In this proceeding, Entex has the burden of proof under TEX. UTIL. CODE ANN. ' 104.008 (Vernon 1998) to show that the proposed rate changes are just and reasonable.
 20. Under TEX. UTIL. CODE ANN. ' 104.055(b), payments to affiliates are excluded from Entex's invested capital or operating expenses unless the Railroad Commission of Texas specifically finds each item or class of items reasonable and necessary and finds that the price to Entex 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.
 21. Under TEX. UTIL. CODE ANN. ' 104.055(b), the CNP Services charges to Entex are affiliate transactions subject to the requirements of the Texas Utilities Code.
 22. As provided in the findings of fact, Entex met its burden of proof to meet the requirements of TEX. UTIL. CODE ANN. ' 104.055(b) for all of its affiliate transactions.
 23. As provided in the findings of fact, Entex met its burden of establishing that transactions charged to Entex from its affiliates are reasonable and necessary and Entex does not pay more than the price charged to other affiliates or divisions or to a non-affiliated person for the same item or class of items.
 24. Rate case expenses for GUD No. 9534 will be considered by the Commission in accordance with TEX. UTIL. CODE ANN. ' 104.008 (Vernon 1998), and 16 TEX. ADMIN. CODE ' 7.5530 (2002), in a separate proceeding.
 25. It is reasonable for the Commission to allow Entex to include a Purchased Gas Adjustment in its environs rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE ' 7.5519 (2002).
 26. 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).

APRIL 11, 2005

27. Entex 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.
28. 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 Entex's proposed schedule of rates is hereby **DENIED**.

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 Entex 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, Entex 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 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 Entex **SHALL** include in its purchased gas adjustment only its reasonable and necessary gas purchase expenses, including direct costs of financial hedging instruments; and, that the reasonableness and prudence of Entex's gas purchases pursuant to its Purchased Gas Adjustment clause may be subject to an adjustment and potential refund in a subsequent proceeding.

IT IS FURTHER ORDERED THAT Entex **SHALL** apply all amounts assessed for unauthorized over-run charges as a credit or decrease to its cost of gas.

IT IS FURTHER ORDERED THAT Entex **SHALL** be limited to use the following language in the ASupply Interruptions@ section of its general service - large volume tariff: AA shortage of gas due to acts of God, the elements, or requirements for residential and other uses declared superior to Consumers by law, shall not be the basis for claims. The delivery and receipt of gas is to be resumed whenever any such shortage shall end.@

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

APRIL 11, 2005

this Order.

IT IS FURTHER ORDERED THAT no limited liability language shall be approved as a supplemental curtailment provision. 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 5th day of April, 2005.

RAILROAD COMMISSION OF TEXAS

/s/
CHAIRMAN VICTOR G. CARRILLO

/s/
COMMISSIONER MICHAEL L. WILLIAMS

/s/
COMMISSIONER ELIZABETH A. JONES

ATTEST:

/s/ Kim Williamson
SECRETARY

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. Special Rules of Practice and Procedure and Substantive Rules

APRIL 11, 2005

- \$15.00

2.
 - a. Annual Report for Fiscal Year 2002 – Now available via the Commission’s website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents02.html>
 - b. Annual Report for Fiscal Year 2001 – available via the Commission’s website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents01.html>
 - a. Annual Report for Fiscal Year 2000 - \$17.00 (includes statistical data for 1999)
 - b. Annual Report for Fiscal Year 1999 - \$9.00 (includes statistical data for 1998)
 - c. 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 2004 is 6.00%. All gas utilities should use this rate.

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 Shannon Miller, Program Specialist Pearl Rodriguez, Program Specialist Rachel Hampton, Administrative Assistant	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 Bryan L. Sparkman, 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 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.

APRIL 11, 2005

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/gs/rap/rapbls.html>.

C. Proposals For Decision

Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gs/rap/pfds.html>.

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) 463-7164.

E. Curtailments

Curtailment questions should be referred to (512) 463-7164. Curtailment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7164. 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. 9275 Amendments to §7.512 NGPA Section 311 Rate Review

GUD No. 9276 Amendments to §7.511 TUC Section 102.054 Sale, Transfer, Merger Reviews

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.