

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 770



**RAILROAD COMMISSION
OF TEXAS**

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

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

April 25, 2005

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Orders were issued in the following dockets:

GUD Docket No. 9478 Application of Kinder Morgan Tejas Pipeline, L.P. Pursuant to Section 311 of the Natural Gas Policy Act for Review of a Rate Being Charged Under an Existing Gas Sales Contract.

APRIL 25, 2005

SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 9580
CAPTION -- Inquiry into the Failure of El Paso Field Services, L.P. to Comply with Safety Standards.
DATE FILED -- March 28, 2005
FILED BY -- Commission's Own Motion
EXAMINER -- Susan German

DOCKET NO. -- 9581
CAPTION -- General Inquiry into Texas Gas Service Company Transportation Rate Schedules and Cost of Gas Clause within the Environs of Central Texas Service Area (Austin, West Lake Hills, Rollingwood, Sunset Valley and Cedar Park) Pursuant to Railroad Commission Staff recommendations per Docket No. 9343.
DATE FILED -- March 11, 2005
FILED BY -- Denise Dembowski
EXAMINER -- Bill Geise

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 25, 2005

**SECTION 5
ORDERS OF THE COMMISSION**

RAILROAD COMMISSION OF TEXAS

**APPLICATION OF KINDER MORGAN
TEJAS PIPELINE, L.P. PURSUANT TO
SECTION 311 OF THE NATURAL
GAS POLICY ACT FOR REVIEW
OF A RATE BEING CHARGED UNDER
AN EXISTING GAS SALES CONTRACT**

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GAS UTILITIES DOCKET NO. 9478

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 and Supp. 2003). The Railroad Commission of Texas adopts the following findings of fact, conclusions of law, and orders as follows:

FINDINGS OF FACT

1. Kinder Morgan Tejas Pipeline, L.P. (Applicant) owns and operates an intrastate natural gas pipeline within the State of Texas.
2. Applicant transports natural gas on behalf of others pursuant to ' 311(a)(2) of the Natural Gas Policy Act of 1978, 15 U.S.C. ' 3371, *et seq.*
3. On January 28, 2004, Applicant filed with the Railroad Commission of Texas (Commission) an application for review of the reasonableness of the transportation component of a natural gas city gate sales rate being charged under an existing gas sales contract.
4. On April 22, 2004, Applicant filed direct testimony and exhibits with the Commission supporting the application.
5. On August 14, 2004 and November 15, 2004, Applicant filed additional documentation and exhibits to support the direct testimony.
6. Applicant does not seek to change or modify any existing intrastate rates.
7. This docket was processed informally without an evidentiary hearing. No motion to intervene or statement of protest was filed.
8. Due notice of this proceeding was served on all persons for whom Applicant performs ' 311(a)(2) transportation services.
9. Applicant has shown that the rate of \$0.15 per MMBtu for the transportation component of a natural gas city gate sales rate is fair and equitable and not in excess of a cost-based rate.

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CONCLUSIONS OF LAW

Applicant is an intrastate "gas utility" pursuant to TEX. UTIL. CODE ' ' 101.003. 121.001 (Vernon 1998 and Supp. 2004).

The application is properly before the Commission pursuant to 15 U.S.C. ' 3371, *et seq.*, and TEX. UTIL. CODE ' ' 121.151 (Vernon 1998).

A rate of \$0.15 per MMBtu for the transportation component of a natural gas city gate sales rate is fair and equitable and not in excess of a cost-based rate.

THE RAILROAD COMMISSION OF TEXAS hereby finds that the rate of \$0.15 per MMBtu for the transportation component of a natural gas city gate sales rate being charged under an existing gas sales contract by Kinder Morgan Tejas Pipeline, L.P. is fair and equitable and not in excess of a cost-based rate.

IT IS HEREBY ORDERED that Kinder Morgan Tejas Pipeline, L.P. shall comply with all applicable curtailment orders of the Commission.

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

SIGNED this 25th day of April, 2005.

RAILROAD COMMISSION OF TEXAS

/s/ _____
VICTOR G. CARRILLO, CHAIRMAN

/s/ _____
MICHAEL L. WILLIAMS, COMMISSIONER

/s/ _____
ELIZABETH A. JONES, COMMISSIONER

ATTEST:

/s/ Kim Williamson _____
SECRETARY

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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 - \$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

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

Telephone (972) 240-5757
Fax (972) 303-1897Yolandra 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
Houston, TX 77008-3135Telephone (713) 869-8425
Fax (713) 869-3219

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
William O. Geise, Director

Telephone (512) 463-7164

B. Gas Utilities Information BulletinPublished 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.