

**From:** [Rules Coordinator](#)  
**To:** [REDACTED]  
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**From:** Strickland, Jerry <JStrickland@bgrdc.com>  
**Sent:** Friday, January 7, 2022 9:41 AM  
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[REDACTED]  
**Subject:** FABSS Texas/RRC Curtailment Comment Submission

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Attached you will find comments from the FABSS Texas Coalition for 16 TAC 7.455 & 7.305. The comments respectfully submitted by the FABSS Texas Coalition are intended to strengthen event response by prioritizing the protection of life safety systems and public health, allowing manufacturing centers to achieve adequate handling of dangerous chemicals used on site, while not diminishing any protections of other customers.

The FABSS Coalition respectfully submits the following suggested changes and alternatives for review and consideration.

Thank you so much for your work to protect the health and safety of our fellow Texans.

Jerry

Jerry D. Strickland II  
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# Railroad Commission

## Processing Procedure and Designation for Curtailment

January 6, 2022

Set for the below, highlighted in yellow, is a general framework for natural gas curtailment in accordance with the Railroad Commission's Emergency Order that was temporarily amended and adopted on February 12, 2021 (Rule 2, Docket 489), as well as adhering to the requisite statutory changes prescribed in SB 3 as it relates to ensuring that energy and electric industries seek to serve high priority human needs and public safety concerns during an emergency curtailment.

The comments respectfully submitted by the FABSS Texas Coalition are intended to strengthen event response by prioritizing the protection of life safety systems and public health, allowing manufacturing centers to achieve adequate handling of dangerous chemicals used on site, while not diminishing any protections of other customers.

The FABSS Coalition respectfully submits the following suggested changes and alternatives for review and consideration.

§7.455. Curtailment Standards, add a new subsection 6 and 7, under definitions for qualified customers or users to read as follows:

### **Definitions**

**(6) "Qualified Customers or users"** – The commission adopts and approves an updated set of curtailment priorities and processes governing the delivery and sale of natural gas by gas utilities during an emergency curtailment event. Pursuant to 16 TAC §7.455, as amended, relating to Curtailment Standards, when a gas utility or local distribution company experiences a curtailment event, the curtailment shall be in accordance with the customer and user priorities listed in subsection (d).

**(7) "Firm deliveries"** refers to exclusive customer deliveries of natural gas that are offered and contractually entered into in accordance with the provisions of the Utilities Code, Title 3, Chapter 104, by natural gas utilities and local distribution companies for the delivery natural gas without significant interruption of supply by an event beyond the reasonable control of a party that, despite the exercise of reasonable commercial efforts, a party is unable to overcome or foreseeably prevent. All other deliveries of natural gas are considered **"interruptible deliveries"**. [For the purposes of this definition, please also consider Utilities Code, Title 3, Chapter 121]

Create a new subsection appropriately numbers to read as follows:

### Application, Registration and Notification

Subsection - The Commission establishes the following application, registration, and notification process to be used by qualified customers so that, during an emergency curtailment, natural gas utilities and local distribution companies can verify and prioritize delivery natural gas to the extent possible. The application under this section shall be filed electronically on a standardized form approved by the Commission and maintained by the applicable natural gas utility or local distribution company.

- a) Qualified customer is eligible to submit an application and reasonable processing fee to the natural gas utility or local distribution company, registering, attesting to, and describing in sufficient detail the following:
1. The critical nature of the customer's natural gas usage by operation, including the following priorities in accordance with subsection (d) of this section:
    - (a) human needs customers;
    - (b) electric generation facility customers;
    - (c) industrial and commercial customers without alternative fuel options to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel or the public;
    - (d) Small industrials and regular commercial loads that use less than 3,000 Mcf per day;
    - (e) Large industrial and commercial users for fuel or as a raw material where an alternate cannot be used, and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;
    - (f) Large and commercial users for fuel or as a raw material where an alternative fuel can be used, and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;
    - (g) Other natural gas to customers that are not covered by the priorities listed in (a) – (f) above; and
  2. The quantity of natural gas load at full operation.
  3. The quantity of natural gas required to prevent physical harm and/or ensure critical safety to the plant or personnel.
  4. The availability of an alternative fuel.
  5. If the qualified customer is in a market area that offers firm sales contract.
  6. Whether the user has contractually chosen a firm or interruptible sales contract from a seller.
  7. Information supporting that firm deliveries are not available on a commercially reasonable basis. *[If Alternative 2 (below) is preferable and "commercially reasonable" is not used, #7 is not needed.]*

8. Information supporting that given the distance from the transportation pipeline to the delivery point of the customer, deliveries are only available if the customer contractually agrees to pay for or reimburse in whole or in part the transporter's infrastructure costs to bring the pipeline to the customers delivery point. *[If Alternative 2 (below) is preferable and subsection (H) not used, #8 is not needed.]*
9. Any other information deemed appropriate by the Commission.

b) Upon receipt of the qualifying customer or user's application, the natural gas utility or local distribution company will electronically confirm receipt, review for completeness in a timely manner, and either accept or reject the application.

1. If accepted, the natural gas utility or local distribution company shall electronically contact the applicant, validating approval of the submitted application and maintaining the applicant's critical designation for use in the prioritized delivery of natural gas during a Commission declared emergency curtailment order to the extent feasible.
2. If the submitted application is rejected, the natural gas utility or local distribution company shall electronically contact the applicant, returning the application and include a reason for not approving the application. A disapproved applicant shall be permitted to remedy any deficiencies and resubmit accordingly for re-consideration.

c) Designation period of an approved priority natural gas delivery application under this section shall not exceed three (3) years in duration unless the qualifying customer becomes ineligible for such designation during this period.

1. Qualified customers will be able to resubmit their application every three years, according to the rules set forth under this subchapter.
2. If a qualified customer fails at any time to meet the criteria during the designation period, the approved applicant loses its priority delivery status and shall immediately notify the natural gas utility or local distribution company electronically. Upon receipt of notice, the natural gas utility or local distribution company shall confirm receipt to the applicant, prior to removing the previously approved customer from their maintained list.

d) The natural gas utility or local distribution company shall collaborate and communicate electronically or otherwise with the qualified customer or user when emergency curtailment is to occur.

(d) Priorities.

(1) Unless a gas utility has an approved curtailment plan pursuant to subsection (e) of this section, a gas utility shall apply the following priorities in descending order for qualified customers and users during a curtailment event.

## ALTERNATIVE 1

(A)(1) firm deliveries of natural gas to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;

(A)(2) interruptible deliveries of natural gas to human needs customers and interruptible deliveries of natural gas to local distribution systems which serve human needs customers;

(B)(1) firm deliveries of natural gas to electric generation facilities;

(B)(2) interruptible deliveries of natural gas to electric generation facilities;

(C)(1) firm deliveries of natural gas to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternative fuel;

(C)(2) interruptible deliveries of natural gas to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternative fuel;

(D)(1) firm deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(D)(2) interruptible deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(E)(1) firm deliveries of natural gas to large industrial and commercial users for fuel or as a raw material where an alternative cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(E)(2) interruptible deliveries of natural gas to large industrial and commercial users for fuel or as a raw material where an alternative cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F)(1) firm deliveries of natural gas to large industrial and commercial users for fuel or as raw material where an alternative fuel can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F)(2) interruptible deliveries of natural gas to large industrial and commercial users for fuel or as raw material where an alternative fuel can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(G)(1) firm deliveries of natural gas to customers that are not covered by the priorities listed in subparagraphs (A) – (F) of this paragraph; and

(G)(2) interruptible deliveries of natural gas to customers that are not covered by the priorities listed in subparagraphs (A) – (F) of this paragraph; and  
(H) interruptible deliveries of natural gas made subject to interruption or curtailment under mutually agreed upon contracts and/or tariffs, except where otherwise indicated above. Interruptible deliveries shall be made according to the priorities as listed in subparagraphs (A) – (G) of this paragraph.

## ALTERNATIVE 2

(A) firm deliveries and interruptible deliveries when firm deliveries are not available on a commercially reasonable basis of natural gas to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;

(B) firm deliveries and interruptible deliveries when firm deliveries are not available on a commercially reasonable basis of natural gas to electric generation facilities;

(C) firm deliveries of natural gas and interruptible deliveries when firm deliveries are not available on a commercially reasonable basis to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities to plant personnel, or the public when such protection cannot be achieved through the use of an alternative fuel;

(D) firm deliveries of natural gas to small industrials and regular commercial loads that use less than 3,000 Mcf per day;

(E) firm deliveries of natural gas to large industrial and commercial users for fuel or as a raw material where an alternative cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(F) firm deliveries of natural gas to large industrial and commercial users for fuel or as raw material where an alternative fuel can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;

(G) firm deliveries of natural gas to customers that are not covered by the priorities listed in subparagraphs (A) – (F) of this paragraph; and

(H) Subsections (A) through (C) above shall include interruptible deliveries when firm deliveries are not available on a commercially reasonable basis or should, given the distance from the transportation pipeline to the delivery point of the customer, firm deliveries are only available if the customer contractually agrees to pay for or reimburse in whole or in part the transporter's infrastructure costs to bring the pipeline to the customer's delivery point.

(I) interruptible deliveries of natural gas made subject to interruption or curtailment under mutually agreed upon contracts and/or tariffs, except where otherwise

indicated above. Interruptible deliveries shall be made according to the priorities as listed in subparagraphs (A) – (G) of this paragraph.

(2) Customers within a priority class which is subject to curtailment shall be curtailed to the extent practicable on an equal basis. If a customer’s end-use requirements fall under two or more priorities, then such requirements must be treated separately when applying this scheduled of priorities. Transportation customers have equivalent end-use priorities as sales customers.

(e) Curtailment plans. Order 489 and any curtailment plan approved by the Commission prior to the effective date of this section is superseded by this section. A gas utility may file its own curtailment plan for approval with the Oversight and Safety Division. A gas utility shall follow the priorities listed in subsection (d) of this section unless and until the gas utility has an approved curtailment plan on file with the Commission. The first three priorities in any individual plan must be consistent with the first three priorities listed in subsection (d)(1)(A) – (C) and 2 of this section. The Oversight and Safety Division may administratively approve the curtailment plan or the Commission may set the matter for a hearing on its own motion or on the motion of any affected customer of the gas utility.

(f) Required tariff filings. Within 90 days of the effective date of this section, each gas utility shall electronically file with the Commission, in a manner prescribed by the Commission, tariffs that shall include either:

(1) the curtailment standards as specified in this section; or

(2) a curtailment plan approved by the Commission as specified in section (e) of this section.

(g) Curtailment emergency contact information. Each gas utility shall maintain current curtailment emergency contact information with the Commission and shall submit curtailment emergency contact information on or before November 1 of each year.