

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 1055



**RAILROAD COMMISSION
OF TEXAS**

**Christi Craddick, Chairman
Ryan Sitton, Commissioner
Wayne Christian, Commissioner**

**Kari French
Director
Oversight and Safety Division**

March 15, 2017

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March 15, 2017

SECTION 1

NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- **10610**
CAPTION -- Application of Texas Gas Service for Test Year 2016 Annual Interim Rate Adjustment for the Unincorporated Areas of the Central Texas Service Area.
DATE FILED -- 03/03/2017
FILED BY -- Janet Buchanan
EXAMINER -- Kari French
TECHNICAL -- Frank Tomicek

DOCKET NO. -- **10611**
CAPTION -- Application filed by ETC Texas P/L, Ltd. to report the acquired assets of Bull Rush Lateral from ETC Field Services LLC.
DATE FILED -- 03/07/2017
FILED BY -- Claire Johnson
EXAMINER --
TECHNICAL -- Amy Bruce

March 15, 2017

SECTION 2

APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE[Office of General Counsel Weekly Hearing Schedules for 2017](#)BEFORE THE
RAILROAD COMMISSION OF TEXAS

CONSOLIDATED COMPLAINTS OF §
TARGA LIQUIDS MARKETING AND §
TRADE, LLC (TARGA), PIONEER §
NATURAL RESOURCES USA, INC. §
(PIONEER), CONOCOPHILLIPS §
COMPANY (CONOCOPHILLIPS), AND §
ELTM, LP, f/k/a ENBRIDGE LIQUIDS §
TRANSPORTATION MARKETING, LP §
(ELTM) TO ESTABLISH COMMON §
CARRIER RATES FOR WEST TEXAS §
LPG PIPELINE LIMITED §
PARTNERSHIP (WTXP) §

GAS UTILITIES DOCKET
NO. 10455, *consolidated*

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On July 1, 2015, West Texas LPG Pipeline Limited Partnership (“WTXP” or the “Pipeline”) began charging increased common carrier rates for the transportation of Y-grade natural gas liquids (“NGLs”) from various origin points in Texas to a common delivery point in Mont Belvieu, Texas, under a tariff on file with the Railroad Commission of Texas (“Commission”). Subsequently, some affected parties filed formal complaints with the Commission related to rates amounts contained in the tariff: Targa Liquids Marketing and Trade, LLC (“Targa”), filed on August 11, 2015, and docketed as GUD No. 10455; Pioneer Natural Resources USA, Inc. (“Pioneer”), filed on August 13, 2015, and docketed as GUD No. 10456; ConocoPhillips Company (“ConocoPhillips”), filed on September 1, 2015, and docketed as GUD No. 10464; and ELTM, LP, f/k/a Enbridge Liquids Transportation Marketing, LP (“ELTM”), filed on September 1, 2015, and docketed as GUD No. 10465. These complaints were consolidated into GUD No. 10455. On January 7 and 8, 2016, respectively, Pioneer and ConocoPhillips filed supplemental complaints.

On January 22, 2016, the Administrative Law Judge (“ALJ”) issued Examiners’ Letter No. 11 (Rulings on Preliminary Issues and Pending Motions), which, among other things, determined that a hearing is necessary and that WTXP will carry the burden of proof.

On March 8, 2016, the Commission issued an interim order stating that “WTXP’s rates in effect prior to July 1, 2015, are lawful rates for the duration of this docket unless changed by Commission order.” WTXP subsequently filed with the Commission a new tariff version, proposed to be effective March 8, 2016, which canceled the previous tariff version, lowered rates to amounts in effect prior to July 1, 2015, and contained added tariff terms, including language regarding the possible future recovery from each shipper of “the difference between the [interim ordered rates] and [final rates established by the Commission] for each barrel shipped during the period March 8, 2016 through the effective date of the

[final rates established by the Commission].” On March 23, 2016, Pioneer filed a second supplemental complaint that added consideration of the new tariff version, including the terms of service contained therein.

On March 24, 2016, the ALJ directed WTXP to provide notice of this proceeding to certain affected shippers (the “Notice of Rate Proceeding”). On April 8, 2016, WTXP filed a certification of compliance that the Notice of Rate Proceeding was provided to all so-affected shippers. The Notice of Rate Proceeding provided that the deadline for an affected/interested person to intervene was May 2, 2016. By this deadline, two parties timely moved to intervene—DCP NGL Services, LLC (“DCP”) and Occidental Energy Marketing, Inc. (“OEMI”).

On September 27, 2016, the Commission issued an interim order stating that “all relevant evidence, including both market-based rate evidence and cost-of-service evidence, shall be taken at a single hearing.”

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider the properness of WTXP’s common carrier rates that are within the scope of this proceeding, and to consider the complaints of Targa, Pioneer, ConocoPhillips, and ELTM, as supplemented. The issues that may be addressed at the hearing include, but are not limited to, the following:

1. The properness of WTXP’s common carrier rates, and their related terms, that are within the scope of this proceeding;
2. The proper construction and application of relevant Texas law; and
3. All other issues that are necessary for the Commission to render a final decision.

Legal Authority and Jurisdiction. The Commission has jurisdiction over WTXP pursuant to Section 81.051 (Jurisdiction of Commission) of the Texas Natural Resources Code. The ALJ shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. Chapter 81 (Railroad Commission of Texas) of the Natural Resources Code, including Section 81.061 (Authority to Establish Market-Based Rates);
2. Chapter 111 (Common Carriers, Public Utilities, and Common Purchasers) of the Natural Resources Code, including Subchapter F (Rates); and
3. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapter 1 (Practice and Procedure), Chapter 3 (Oil and Gas Division), and/or Chapter 7 (Gas Services Division).

IT IS DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the hearing on the merits **SHALL** appear in person or by an attorney.

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Time, Place, and Nature of Hearing. IT IS FURTHER DIRECTED that the hearing on the merits shall commence at **10:00 a.m. on Monday, March 27, 2017**, at Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced until concluded.

Written Transcript of the Hearing. The record of the hearing will be made by stenographic transcription by the court reporter. Any party that desires a copy of the written transcript of the hearing should contact the court reporter at (512) 282-0313. The Commission may assess the cost of the transcript or expedited transcript to one or more parties pursuant to Section 2001.059 (Transcript) of the Texas Government Code.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services in order to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711 – 2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information – *In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.*

John Dodson
Administrative Law Judge

March 15, 2017

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT TO CHANGE THE RATES OF CITY GATE SERVICE (CGS) AND RATE PIPELINE TRANSPORTATION (PT) RATES OF ATMOS PIPELINE – TEXAS (APT)	§ § § § §	GAS UTILITIES DOCKET NO. 10580
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NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On January 6, 2017, Atmos Pipeline – Texas (“Atmos”) filed with the Commission a statement of intent to change its rate city gate service (“CGS”) and rate pipeline transportation (“PT”)—and related riders—under the provisions of Subchapter C (Rate Changes Proposed by Utility) of Chapter 104 (Rates and Services) of the Gas Utility Regulatory Act (“GURA”). The statement of intent (“SOI”) was docketed as GUD No. 10580.

On January 24, 2017, the Commission suspended the effective date for Atmos’ rate increase for 150 days pursuant to GURA Section 104.107 (Rate Suspension; Deadline). The statutory deadline for Commission action is July 10, 2017.

On February 17, 2017, the Administrative Law Judge (“ALJ”) aligned all municipal parties under Commission Rule §§ 1.86 (Alignment of Municipal Intervenors for Purposes of Discovery) and 1.61 (Classification and Alignment of Parties) and severed the rate case expenses portion of this docket into a separate docket, GUD No. 10604.

Intervening Parties. Several parties have intervened in this docket, including: Staff of the Railroad Commission (“Staff”), Atmos Cities Steering Committee (“ACSC”), Texas Gas Service Company (“Texas Gas”), CoServ Gas, Ltd. (“CoServ”), Atmos Texas Municipalities (“ATM”), Nucor Steel – Texas (“Nucor”), City of Dallas (“Dallas”), and Texas Industrial Energy Consumers (“TIEC”).

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider all issues of fact and law raised in—or relevant to—Atmos’ SOI. The issues that may be addressed at the hearing include, but are not limited to, the following:

4. The legality and effect of Atmos’ SOI;
5. The justness and reasonableness of Atmos’ proposed rates, operations, services, and tariffs;
6. The safety, adequacy, efficiency, and reasonableness of services provided by Atmos;

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7. Atmos' compliance with all applicable statutes, rules, orders, duties, direction, or requirements of the Commission, enforced by the Commission, or imposed by the Commission;
8. Whether any changes should be imposed on any existing tariffs;
9. Whether the changes in rates and services proposed by Atmos comply with applicable provisions of the Texas Utilities Code; and
10. Any other issues raised in the pleadings, evidence, or argument that are necessary for the Commission to render a final decision on the merits of this proceeding.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over Atmos and the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 104.001 (Authorization to Establish and Regulate Rates), and pursuant to Chapter 121 (Gas Pipelines) of the Texas Utilities Code, including Sections 121.051 (Gas Utility: Public Interest and Jurisdiction of Railroad Commission), 121.052 (Pipelines: Monopolies Subject to Railroad Commission), and 121.151 (Railroad Commission Regulation of Gas Pipelines). The Administrative Law Judges and the Technical Examiners shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

4. All sections in GURA Chapters 101 (General Provisions and Office of Public Utility Counsel), 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), 104 (Rates and Services), and /or Chapter 121 (Gas Pipelines) of the Texas Utilities Code; and
5. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure) and 7 (Gas Services Division).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall commence at **9:30 a.m. on Wednesday, April 19, 2017**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor, room 12-126. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced until concluded.

IT IS FURTHER DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the final hearing on the merits **SHALL** appear in person or by an attorney. For good cause shown, the ALJ

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may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.130 (Telephonic Proceedings).

Written Transcript of the Hearing. The record of the hearing will be made by stenographic transcription by the court reporter. Any party that desires a copy of the written transcript of the hearing should contact the court reporter at (512) 282-0313. The Commission may assess the cost of the transcript or expedited transcript to one or more parties pursuant to Section 2001.059 (Transcript) of the Texas Government Code.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

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John Dodson
Administrative Law Judge

SECTION 3

STATUS OF PENDING CASES

None at this time.

SECTION 4

NOTICES OF DISMISSAL

None at this time.

SECTION 5

ORDERS OF THE COMMISSION

SECTION 6

MISCELLANEOUS

Kari French, OVERSIGHT AND SAFETY DIRECTOR

1. OFFICE OF THE DIRECTOR

A. Publications

1. Texas Utilities Code Titles 3 and 4. Now available at the State of Texas' website at:

<http://www.statutes.legis.state.tx.us>

Special Rules of Practice and Procedure and Substantive Rules. Now available thru the Commission's Website at:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7)

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

<http://www.rrc.texas.gov/gas-services/publications-statistics/gas-utility-statistical-reports/>

3. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - Now available via the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/six-mcf-report/>

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 2017 is 0.42%. All gas utilities should use 0.11% for the calendar year 2016 and 0.07% for calendar year 2015.

2. UTILITY AUDIT SECTION

March 15, 2017

- 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
Pearl Rodriguez, Program Specialist
- Fort Worth - City Hall 13th Street Annex, 401 W. 13th St Suite B Telephone (817) 882-8966
Fax (817) 882-8951
Josh Settle, Senior Auditor
Yolandra Davis, Senior Auditor
- Austin District - P. O. Box 12967, Austin, Texas 78711-2967
Stephen Cooper, Advising Auditor Telephone (512) 463-7119
- Houston District - 1706 Seamist Drive, Suite 501 Telephone (713) 869-8425
Houston, TX 77008-3135 Fax (713) 869-3219
Margie Stoney, Project Auditor
Larry Alcorn, Auditor
Dale Francis, Senior Auditor
Konata Uzoma, Senior Auditor
Vonetta Jackson, Auditor

B. Gas Utility Tax, Annual Reports and Audit Reports

1. Questions relating to gas utility tax, call Pearl Rodriguez at (512) 463-7022.
2. Questions relating to annual reports, call Pearl Rodriguez at (512) 463-7022.
3. Inquiries relating to audit reports, call Pearl Rodriguez at (512) 463-7022.

C. Available Information

Gas Utility Annual Reports - Now available via Commission's website at:

https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module=_esd&_action=_keysearch&profile=13

Information relating to any of the above, are available for review at the William B. Travis Building, Gas Services Department, 9th Floor, 1701 North Congress. All requests for copies must be made in writing and should be addressed to the Audit Section. Copies will be provided for a fee, depending on the volume of copy work desired, allow a minimum of seven to ten business days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

3. MARKET OVERSIGHT

- A.** Maintains the following office to assist you:

Headquarters - William B. Travis Building Telephone (512) 463-7167
1701 North Congress, P.O. Box 12967, Austin, Texas 78711
Mark Evarts, Director

B. Gas Utilities Information Bulletin

Published on the Commission's web site at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/gas-utilities-information-bulletins/>

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C. Proposals For Decision

Published on the Commission's web site at:

<http://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/>

D. Tariff Filings

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Claudia Godoy, Yolanda Lovelace, Andrea Matamoros or Virgie Frausto at (512) 463-7167.

E. Curtailments

Curtailement questions should be referred to (512) 463-7167 or by email at naturalgascurtailment@rrc.texas.gov. Curtailement reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167. Curtailement 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 Christina Poole at (512) 463-7167 or by email at GUD.Compliance@rrc.texas.gov.

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:**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.