

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION

GAS UTILITIES
INFORMATION BULLETIN

No. 1064



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

Kari French
Director
Oversight and Safety Division

July 31, 2017

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SECTION 1

NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- **10646**
CAPTION -- Application of Trans-Pecos Pipeline, LLC Pursuant to the Natural Gas Policy Act, Section 311 for Review of the Reasonableness of a Transportation Rate.
DATE FILED -- 07/19/2017
FILED BY -- Dan Renner
EXAMINER -- Christina Poole
TECHNICAL --

DOCKET NO. -- **10647**
CAPTION -- Application of Comanche Trail Pipeline, LLC Pursuant to the Natural Gas Policy Act, Section 311 for Review of the Reasonableness of a Transportation Rate.
DATE FILED -- 07/19/2017
FILED BY -- Dan Renner
EXAMINER -- Sarah Montoya-Foglesong
TECHNICAL --

DOCKET NO. -- **10648**
CAPTION -- LDC, LLC's Petition for Review of the Denial of the Relocation Cost Recovery application by the City of Montgomery, Texas.
DATE FILED -- 07/20/2017
FILED BY -- Larry D. Corley
EXAMINER -- John Dodson
TECHNICAL -- Rose Ruiz

DOCKET NO. -- **10649**
CAPTION -- Application filed by Atmos Pipeline - Texas 2017 Rider Rev Adjustment.
DATE FILED -- 07/28/2017
FILED BY -- Charles R. Yarbrough II
EXAMINER -- Amy Bruce
TECHNICAL --

DOCKET NO. -- **10650**
CAPTION -- Inquiry into the Failure of Marathon Pipe Line LLC to Comply with Safety Standards.
DATE FILED -- 07/27/2017
FILED BY -- Commission's Own Motion
EXAMINER --
TECHNICAL --

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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**

COMPLAINT OF TG BARNETT	§	
RESOURCES LP AGAINST	§	GAS UTILITIES DOCKET
COWTOWN PIPELINE PARTNERS	§	NO. 10555
L.P. AND COWTOWN GAS	§	
PROCESSING PTRS L.P.	§	

NOTICE OF HEARING

Statement of Matters Asserted. On September 29, 2016, the Commission received The Formal Complaint of TG Barnett Resources LP against Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Ptrs L.P. for discrimination in the taking, transportation, and processing of gas, and violations of Texas Natural Resources Code, Chapters 81, 85, & 111, Statewide Rule 34, Texas Utilities Code, Chapter 104, and 16 Administrative Code § 7.7001, et seq., and request for the Commission to set just and reasonable rates. Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Ptrs L.P. (“Cowtown”) filed a response and motion to dismiss, which was denied. The primary allegation in this case is that Cowtown and its affiliates are collecting rates, fees, and charges from Barnett that are discriminatory with respect to similarly situated shippers. Cowtown indicates that no discrimination is occurring because there are natural gas gathering and processing contracts between the parties that specify negotiated rates. The docket will proceed with an initial hearing to determine Barnett’s discrimination claim. If unreasonable discrimination is found to be occurring, then a formal rate proceeding will be conducted.

NOTICE IS HEREBY GIVEN THAT a public hearing will be held for the initial phase of the case at the time and place set out below, to consider the following:

1. Whether Cowtown and its affiliates are collecting rates, fees, and charges from Barnett that are discriminatory with respect to similarly situated shippers;
2. Proper construction and application of relevant law and Commission rules; 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 the parties pursuant to Texas Natural Resources Code, Section 81.051 (Jurisdiction of Commission) and Texas Utilities Code, Chapter 102 (Jurisdiction and Powers of the Railroad Commission and Other Regulatory Authorities). The ALJ shall conduct the hearing pursuant to the requirements of the Texas Government Code, Chapter 2001 (Administrative Procedure) and the Texas Administrative Code, Title 16, Part 1 (Railroad Commission of Texas).

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

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1. Texas Natural Resources Code, Chapters 81 (Railroad Commission of Texas), 85 (Conservation and Regulation of Oil and Gas), and 111 (Common Carriers, Public Utilities, and Common Purchasers);
2. Texas Utilities Code, Chapter 101 (Gas Regulation), Chapter 102 (Jurisdiction and Powers of the Railroad Commission and Other Regulatory Authorities), Chapter 104 (Rates and Services), and Chapter 121 (Gas Services); and
3. Texas Administrative Code, Title 16, Part 1, (Railroad Commission of Texas), including Chapter 1 (Practice and Procedure), Chapter 3 (Oil and Gas Division), and 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.

Time, Place, and Nature of Hearing. **IT IS FURTHER DIRECTED** that the hearing on the merits shall commence at **9:00 a.m. on Tuesday, August 22, 2017**, at the 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, or as otherwise 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.*

Dana Avant Lewis
Administrative Law Judge

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**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

PETITION OF ATMOS ENERGY	§	
CORPORATION, WEST TEXAS DIVISION	§	GAS UTILITIES DOCKET
TO REQUIRE ONEOK WESTEX	§	NO. 10558
TRANSMISSION, L.L.C. TO COMPLY	§	
WITH ITS FILED TARIFFS AND	§	
REQUEST FOR INTERIM RELIEF	§	
	§	

NOTICE OF HEARING

Statement of Matters Asserted. On October 7, 2016, Atmos Energy Corporation, West Texas Division (“Atmos”) filed its *Petition of Atmos Energy Corporation, West Texas Division to Require ONEOK WestTex Transmission, L.L.C. to Comply with its Filed Tariffs and Request for Interim Relief*. An Order on Request for Official Notice and Request for Interim Ruling was issued on November 30, 2016, which set forth certain requirements for the parties to follow in the event of a curtailment or in the event a portion of Atmos’s firm transportation capacity it holds on ONEOK WestTex Transmission, L.L.C. (“ONEOK”) is no longer serving human needs customers. On March 3, 2017, Atmos filed an amended petition requesting that a final order be issued in the case that embodies the provisions of the interim order issued on November 20, 2016.

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider the following:

4. Whether the Commission should enter a final order embodying the provisions set forth in the interim order issued on November 20, 2017;
5. Whether, in the event of a curtailment, ONEOK should be prohibited from providing firm interstate transportation services unless it has sufficient capacity in its pipeline system to meet all existing firm intrastate transportation service obligations for human needs customers pursuant to the curtailment plan as indicated in the Final Order for GUD No. 489;
6. Proper construction and application of relevant law and Commission rules; and
7. All other issues that are necessary for the Commission to render a final decision.

Legal Authority and Jurisdiction. The Commission has jurisdiction over the parties pursuant to Texas Natural Resources Code, Section 81.051 (Jurisdiction of Commission) and Texas Utilities Code, Chapter 102 (Jurisdiction and Powers of the Railroad Commission and Other Regulatory Authorities). The ALJ shall conduct the hearing pursuant to the requirements of the Texas Government Code, Chapter 2001 (Administrative Procedure) and the Texas Administrative Code, Title 16, Part 1 (Railroad Commission of Texas).

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

4. Texas Natural Resources Code, Chapter 81 (Railroad Commission of Texas);

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5. Texas Utilities Code, Chapter 101 (Gas Regulation), Chapter 102 (Jurisdiction and Powers of the Railroad Commission and Other Regulatory Authorities), Chapter 104 (Rates and Services), and Chapter 121 (Gas Services); and
6. Texas Administrative Code, Title 16, Part 1, (Railroad Commission of Texas), including Chapter 1 (Practice and Procedure), and 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.

Time, Place, and Nature of Hearing. **IT IS FURTHER DIRECTED** that the hearing on the merits shall commence at **1:30 p.m. on Thursday, August 17, 2017**, at the 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, or as otherwise 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.*

Dana Avant Lewis
Administrative Law Judge

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**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT FILED BY LDC, § LLC, TO CHANGE RATES IN THE § ENVIRONS OF THE CITY OF § MONTGOMERY, TEXAS §	GAS UTILITIES DOCKET NO. 10622, <i>Consolidated</i>
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NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On April 13, 2017, LDC, LLC (“LDC”), filed with the Commission a statement of intent to change gas utility rates in the environs outside the City of Montgomery, Texas (the “SOI”). The SOI was docketed as GUD No. 10622. As part of its rate filing, LDC requests that the Commission approve tariffs and rate schedules associated with the SOI, along with reasonable rate case expenses. Commission Staff (“Staff”) subsequently intervened.

On May 10, 2017, the Commission suspended the effective date for LDC’s rate increase for 150 days, pursuant to Section 104.107 (Rate Suspension; Deadline) of the Gas Utility Regulatory Act (“GURA”) of the Texas Utilities Code. Also on May 10, 2017, the Administrative Law Judge (“ALJ”) severed the rate case expenses portion of GUD No. 10622 into a separate docket, GUD No. 10633.

Contemporaneously with its SOI, LDC filed a statement of intent with the City of Montgomery, Texas, to increase rates within that city (together with the SOI, the “Consolidated Requested Relief”). On June 8, 2017, LDC timely filed with the Commission a petition for review from the action of the City of Montgomery, denying LDC’s proposed increase in gas utility rates for its municipal customers. That petition for review, docketed as GUD No. 10641, subsequently was consolidated with GUD No. 10622.

On July 25, 2017, the parties filed with the Commission a Unanimous Settlement Agreement (“Settlement”), resolving all issues. On July 27, 2017, the severed rate case expense docket, GUD No. 10633, was consolidated with GUD No. 10622.

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—LDC’s Consolidated Requested Relief. The scope of the hearing may be limited to the Settlement, but may include the following:

8. The legality and effect of LDC’s Consolidated Requested Relief;
9. The justness and reasonableness of LDC’s proposed rates, operations, services, and tariffs;
10. The safety, adequacy, efficiency, and reasonableness of services provided by LDC;
11. LDC’s compliance with all applicable statutes, rules, orders, duties, direction, or requirements of the Commission, enforced by the Commission, or imposed by the Commission;
12. Whether any changes should be imposed on any existing tariffs;

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13. Whether the changes in rates and services proposed by LDC comply with applicable GURA and Commission requirements; and
14. 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 LDC and the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 103.003 (Surrender of Municipal Jurisdiction to Railroad Commission; Reinstatement of Jurisdiction), 103.051 (Appeal by Party), 103.052 (Appeal by Residents), 103.053 (Appeal by Ratepayers Outside Municipality), and 104.001 (Authorization to Establish and Regulate Rates), and pursuant to GURA 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 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, and other applicable authority.

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

7. 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 121 (Gas Pipelines); and
8. 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 **11:00 a.m. on Tuesday, August 15, 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 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.

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

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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

SECTION 3**STATUS OF PENDING CASES****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 via 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/2016-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

- 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
 Fax (512) 475-3180
 Ed Abrahamson, Director, Utility Audit Section
 Stephen Cooper, Advising Auditor
 Pearl Rodriguez, Program Specialist

Austin District - P. O. Box 12967, Austin, Texas 78711-2967
 Telephone (512) 463-7022
 Fax (512) 475-3180

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

Houston District - 1706 Seamist Drive, Suite 501, Houston, TX 77008-3135
 Telephone (713) 869-8425
 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
1701 North Congress, P.O. Box 12967, Austin, Texas 78711
Telephone (512) 463-7167
Mark Evarts, Director

B. Gas Utilities Information Bulletin

Published on the Commission's website at:

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

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, 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 or by email at gascomplaints@rrc.texas.gov.

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 General Counsel Division at (512) 463-7149.

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 General Counsel Division at (512) 463-7149.