

GAS UTILITIES INFORMATION BULLETIN

No. 1081

Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

APRIL 15, 2018 OVERSIGHT AND SAFETY DIVISION Kari French, Director

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SECTION 1: NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 10718

CAPTION -- Atmos Pipeline - Texas Notice of Intent to Reduce Base Rates Established in GUD No.

10580 Pursuant to Section 104.111 of the Gas Utility Regulatory Act.

DATE FILED -- 04/13/2018

FILED BY -- Charles R. Yarbrough II

EXAMINER -- Amy Bruce

TECHNICAL --

DOCKET NO. -- 10719

CAPTION -- Inquiry into the Failure of City of Iraan to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10720

CAPTION -- Inquiry into the Failure of Plains Pipeline L.P. to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10721

CAPTION -- Inquiry into the Failure of Sunoco Pipeline L.P. to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10722

CAPTION -- Inquiry into the Failure of Enterprise Crude Pipeline LLC to Comply with Safety Standards

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10723

CAPTION -- Inquiry into the Failure of City of Sealy to Comply with Safety Standards

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10724

CAPTION -- Inquiry into the Failure of Highland Commercial Properties to Comply with Safety

Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10725

CAPTION -- Inquiry into the Failure of Buckeye Texas Hub LLC to Comply with Safety Standards

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --TECHNICAL --

DOCKET NO. --

CAPTION -- Inquiry into the Failure of Ashler 4100 LLC to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

10726

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10727

CAPTION -- Inquiry into the Failure of Keller Property Company to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --

TECHNICAL --

DOCKET NO. -- 10728

CAPTION -- Inquiry into the Failure of Metro S.A. Property to Comply with Safety Standards.

DATE FILED -- 04/13/2018

FILED BY -- Commission's Own Motion

EXAMINER --TECHNICAL --

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

RATE CASE EXPENSES SEVERED \$
FROM GUD NO. 10640, PETITON FOR \$
DE NOVO REVIEW OF THE DENIAL \$
BY THE CITY OF DALLAS OF THE \$
DALLAS ANNUAL RATE REVIEW \$
MECHANISM TARIFF \$
NO. 10645

AMENDED NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On May 26, 2017, Atmos Energy Corp., Mid-Tex Division filed with the Railroad Commission of Texas ("Commission") a Petition for De Novo Review of the Denial by the City of Dallas of the Dallas Annual Rate Review Mechanism Tariff, which was docketed as GUD 10640. On July 13, 2017, the rate case expenses

were severed to the above-referenced docket. On December 5, 2017, the Commission issued its Final Order in GUD No. 10640.

Intervening Parties. The City of Dallas is the only intervenor in this docket.

On March 23, 2018, the parties to GUD No. 10645 filed a Unanimous Stipulation and Settlement Agreement ("Settlement"), resolving all issues among the parties with respect to rate case expenses associated with GUD No. 10640.

¹**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—the rate case expenses described above. The scope of the hearing may be limited to the Settlement.

Legal Authority and Jurisdiction. The Commission has jurisdiction over 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/or 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 Administrative Law Judge 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, 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:

- 1. 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
- 2. 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 **9:00 a.m. on Friday, April 27, 2018**, 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

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¹ The Notice of Hearing is amended to change the date of the hearing from April 26, 2018 to April 27, 2018.

ALJ may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.112 (Proceedings by Telephony).

Written Transcript of the Hearing. The record of the hearing will be made by audio recording devise or by stenographic transcription by a 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 16 Tex. Addin. Code § 1.7, ex parte communications with Administrative Law Judges, Examiners, and Commissioners are prohibited. If you have clerical, docketing or other questions unrelated to the merits of the above-referenced case, please contact Docket Services at (512) 463-6848, or my paralegal, Megan Schimcek, at (512) 463-6793.

Dana Avant Lewis
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 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

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-annual-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. <u>Interest Rate on Customer Deposits</u>

We have been advised by the Public Utility Commission of Texas that the interest rate to be applied to customer deposits in calendar year 2018 is 0.91%. All gas utilities should use 0.42% for the calendar year 2017 and 0.11% for calendar year 2016.

https://www.puc.texas.gov/industry/electric/reports/HRates/HistRates.pdf

2. <u>UTILITY AUDIT SECTION</u>

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 Fax (512) 463-7022 (512) 475-3180

Ed Abrahamson, Director, Utility Audit Section Pearl Rodriguez, Program Specialist

Diana Serrano, Accounting Technician

Fort Worth - City Hall 13th St. Annex, 401 W. 13th St Ste 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.

http://www.rrc.state.tx.us/gas-services/forms/

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:

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

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, Virgie Frausto, or Sheila Mendoza at (512) 463-7167.

E. Curtailments

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

http://www.rrc.state.tx.us/general-counsel/rules/

I. Proposed Form Amendments:

http://www.rrc.state.tx.us/about-us/resource-center/forms/proposed-form-changes/

4. <u>HEARINGS AND LEGAL ANALYSIS</u>

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.