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GAS UTILITIES INFORMATION BULLETIN

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**No. 1097**

Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

NOVEMBER 14, 2018  
OVERSIGHT AND SAFETY DIVISION  
Kari French, Director

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**SECTION 1: NEW APPEALS AND APPLICATIONS FILED**

**DOCKET NO.:** 10795  
**CAPTION** Complaint of Concept Petroleum Marketing, LLC, Against Magellan Crude Oil Pipeline Company, LP  
**DATE FILED --** 12/03/2018  
**FILED BY --** Richard A. Howell  
**EXAMINER --** John Dodson  
**TECHNICAL --** Rose Ruiz

**DOCKET NO.:** 10796  
**CAPTION** Rate Case Expenses Severed from GUD No. 10779, Consolidated, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division (Atmos), by the Cities of Balch Springs, Bandera, Belton, et al.  
**DATE FILED --** 12/04/2018  
**FILED BY --** Commission's Own Motion  
**EXAMINER --** John Dodson  
**TECHNICAL --** James Currier

**DOCKET NO.:** 10797  
**CAPTION** Inquiry into The Failure of the City of Winona to Comply with Safety Standards.  
**DATE FILED --** 11/27/2018  
**FILED BY --** Commission's Own Motion  
**EXAMINER --**  
**TECHNICAL --**

**DOCKET NO.:** 10798  
**CAPTION** Application filed by Centerpoint Energy Entex to show the City of Big Sandy and Talco, Texas Surrendered Municipal Jurisdiction to the Railroad Commission of Texas.  
**DATE FILED --** 12/12/2018  
**FILED BY --** Perrin Wall  
**EXAMINER --** Claudia Godoy  
**TECHNICAL --**

**SECTION 2: APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE**

[Office of General Counsel Weekly Hearing Schedules for 2018](#)

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION OF CENTERPOINT</b>	§	
<b>ENERGY RESOURCES CORP., d/b/a</b>	§	
<b>CENTERPOINT ENERGY ENTEX, TO</b>	§	<b>GAS UTILITIES DOCKET</b>
<b>ABANDON NATURAL GAS SERVICE</b>	§	<b>NO. 10791</b>
<b>TO RESIDENTIAL AND</b>	§	
<b>COMMERCIAL CUSTOMERS IN</b>	§	
<b>HARRISON COUNTY, TEXAS</b>	§	

**NOTICE OF HEARING**

*Summary of the Proceeding and Factual Matters Asserted.* On November 8, 2018, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex (“CenterPoint”), filed with the Commission an application to abandon natural gas service to 14 residential and commercial customers in Harrison County, Texas, pursuant to Commission Rule § 7.465 (Abandonment). CenterPoint’s application was docketed as GUD No. 10791.

On November 28, 2018, the Hearings Division received this docket to consider and adjudicate as a protested application. By rule, the Commission is required to hold a formal hearing within 60 days following the date of CenterPoint’s application. *See* Commission Rule § 7.465(b)(2)(A). A final decision on CenterPoint’s application will not be made at the hearing. Rather, the presiding Administrative Law Judge (“ALJ”) and Technical Examiner will consider all evidence presented, draft and issue a Proposal for Decision (“PFD”), allow parties an opportunity to submit exceptions and replies to the PFD, and finally present the PFD’s recommendation for disposition to the Commissioners at a publicly-held open meeting.

*Burden of Proof.* Under Commission Rule § 7.465(b)(5), CenterPoint shall have the burden of proof to show that its proposed abandonment and permanent discontinuation of service is reasonable and necessary and is not contrary to the public interest. The Commission shall consider the following conditions when making a determination regarding CenterPoint’s application:

- A. whether continued service is no longer economically viable for CenterPoint;
- B. whether the potentially abandoned customers have any alternatives, how many, and at what cost;
- C. whether any customer has made investments or capital expenditures in reliance on continued availability of natural gas, where use of an alternative energy source is not viable;
- D. whether CenterPoint has failed to properly maintain the facilities proposed for abandonment, rendering them unsalvageable due to neglect; and
- E. any other considerations affecting the potentially abandoned customers.

**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—CenterPoint’s application.

***Legal Authority and Jurisdiction.*** The Commission has jurisdiction over CenterPoint and the matters at issue in this proceeding pursuant to Title 3 (Gas Regulation) of the Texas Utilities Code. The presiding 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 rules applicable to this proceeding include the Commission’s rules relating to practice and procedure (Chapter 1) and gas services (Chapter 7), including Commission Rule § 7.465 (Abandonment).

***Time, Place, and Nature of Hearing.*** **IT IS DIRECTED** that the hearing on the merits shall commence at **9:30 a.m. on Friday, January 4, 2019**, in the William B. Travis Building, located at 1701 North Congress Avenue, Austin, Texas. Please check with Docket Services (Room 12-123) the morning of the hearing for the room location. 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 § 1.112 (Proceedings by Telephony).

***Written Transcript of the Hearing.*** The record of the hearing will be made by recording device or by stenographic transcription by the court reporter. Any party that desires a written transcript of the hearing should contact the court reporter at (512) 282-0313. All transcript costs will be assessed to CenterPoint.

***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.

Signed on December 6, 2018.

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**JOHN B. DODSON**  
**ADMINISTRATIVE LAW JUDGE**

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION OF TEXAS GAS</b>	§	
<b>SERVICE, A DIVISION OF ONE GAS,</b>	§	
<b>INC., TO PERMANENTLY</b>	§	
<b>DISCONTINUE NATURAL GAS</b>	§	<b>GAS UTILITIES DOCKET</b>
<b>SERVICE TO A RESIDENTIAL</b>	§	<b>NO. 10793</b>
<b>CUSTOMER IN CALDWELL COUNTY,</b>	§	
<b>TEXAS</b>	§	

**NOTICE OF HEARING**

*Summary of the Proceeding and Factual Matters Asserted.* On November 20, 2018, Texas Gas Service Company, a division of ONE Gas, Inc. (“TGS”), filed with the Commission an application to permanently discontinue natural gas service to one residential customer in Caldwell County, Texas, pursuant to Commission Rule § 7.465 (Abandonment). TGS’s application was docketed as GUD No. 10793.

On December 10, 2018, the Hearings Division received this docket to consider and adjudicate as a protested application. By rule, the Commission is required to hold a formal hearing within 60 days following the date of TGS’s application. *See* Commission Rule § 7.465(b)(2)(A). A final decision on TGS’s application will not be made at the hearing. Rather, the presiding Administrative Law Judge (“ALJ”) and Technical Examiner will consider all evidence presented, draft and issue a Proposal for Decision (“PFD”), allow parties an opportunity to submit exceptions and replies to the PFD, and finally present the PFD’s recommendation for disposition to the Commissioners at a publicly-held open meeting.

*Burden of Proof.* Under Commission Rule § 7.465(b)(5), TGS shall have the burden of proof to show that its proposed abandonment and permanent discontinuation of service is reasonable and necessary and is not contrary to the public interest. The Commission shall consider the following conditions when making a determination regarding TGS’s application:

- A. whether continued service is no longer economically viable for TGS;
- B. whether the potentially abandoned customer has any alternatives, how many, and at what cost;
- C. whether any customer has made investments or capital expenditures in reliance on continued availability of natural gas, where use of an alternative energy source is not viable;
- D. whether TGS has failed to properly maintain the facilities proposed for abandonment, rendering them unsalvageable due to neglect; and
- E. any other considerations affecting the potentially abandoned customer.

**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—TGS’s application.

***Legal Authority and Jurisdiction.*** The Commission has jurisdiction over TGS and the matters at issue in this proceeding pursuant to Title 3 (Gas Regulation) of the Texas Utilities Code. The presiding 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 rules applicable to this proceeding include the Commission’s rules relating to practice and procedure (Chapter 1) and gas services (Chapter 7), including Commission Rule § 7.465 (Abandonment).

***Time, Place, and Nature of Hearing.*** **IT IS DIRECTED** that the hearing on the merits shall commence at **1:30 p.m. on Thursday, January 17, 2019**, in the William B. Travis Building, located at 1701 North Congress Avenue, Austin, Texas. Please check with Docket Services (Room 12-123) the morning of the hearing for the room location. 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 § 1.112 (Proceedings by Telephony).

***Written Transcript of the Hearing.*** The record of the hearing will be made by recording device or by stenographic transcription by the court reporter. Any party that desires a written transcript of the hearing should contact the court reporter at (512) 282-0313. All transcript costs will be assessed to TGS.

***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.

Signed on December 11, 2018.

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**JOHN B. DODSON**  
**ADMINISTRATIVE LAW JUD**

### **SECTION 3: STATUS OF PENDING CASES**

None currently.

### **SECTION 4: NOTICES OF DISMISSAL**

None currently.

### **SECTION 5: ORDERS OF THE COMMISSION**

1. **Docket No. 10742** Statement of Intent Filed by Atmos Energy Corp. (Atmos) to Change Gas Utility Rates Within the Unincorporated Areas of its Mid-Tex Division
  - a. [Final Order](#) (12/11/2018)
2. **Docket No. 10743** Statement of Intent Filed by Atmos Energy Corporation (Atmos) to Change Gas Utility Rates Within the Unincorporated Areas of its West Texas Division
  - a. [Final Order](#) (12/11/2018)
3. **Docket No. 10752** Application filed by Red Bluff Express Pipeline, LLC Pursuant to NGPA § 311 for Review of the Reasonableness of Transportation Rate.
  - a. [Final Order](#) (12/11/2018)

### **SECTION 6: MISCELLANEOUS**

#### **A. Gas Services Department Publications and Statistics**

1. Gas Utilities Information Bulletins available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/gas-utilities-information-bulletins/>.
2. Rate Review Handbook available at <http://www.rrc.state.tx.us/media/41964/rate-review-handbook-2017.pdf>.
3. Gas Utilities Annual Statistics available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/2017-gas-utility-annual-statistical-reports/>.
4. Gas Storage Statistics available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/gas-storage-statistics/>.
5. Six MCF Residential Gas Bill Analysis for Texas Cities available at <http://www.rrc.state.tx.us/gas-services/publications-statistics/six-mcf-report/>.

#### **B. Interest Rate on Customer Deposits**

1. 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. This information can be found at: <https://www.puc.texas.gov/industry/electric/reports/HRates/HistRates.pdf>

#### **C. Contact Information**

1. **Audit Section's Headquarter and District Offices:**



Headquarter Location:  
William B. Travis Building  
1701 North Congress Avenue  
Austin, Texas 78701

Mailing Address:  
P. O. Box 12967  
Austin, Texas 78711  
Telephone (512) 463-7167  
Fax (512) 475-3180

**Austin District:**

Ed Abrahamson, Director, Utility Audit Section  
Stephen Cooper, Advising Auditor  
Pearl Rodriguez, Program Specialist  
Diana Serrano, Accounting Technician  
Telephone: (512) 463-7022

**Fort Worth District:**

City Hall 13<sup>th</sup> Street Annex  
401 West 13<sup>th</sup> Street, Suite B

Josh Settle, Senior Auditor  
Yolandra Davis, Senior Auditor  
Telephone: (817) 882-8966

**Houston District:**

1706 Seamist Drive, Suite 50  
Houston, Texas 77008

Margie Stoney, Project Auditor  
Larry Alcorn, Auditor  
Dale Francis, Senior Auditor  
Konata Uzoma, Senior Auditor  
Vonetta Jackson, Auditor  
Telephone: (713) 869-8425

**2. Market Oversight Section**

William B. Travis Building  
1701 North Congress Avenue  
Austin, Texas 78701

Mailing Address:  
P. O. Box 12967  
Austin, Texas 78711

Mark Evarts, Director  
Amy Bruce, Utility Specialist  
Christina Poole, Financial Analyst  
Claudia Godoy, Financial Analyst  
Frank Tomicek, Financial Analyst  
Sarah Montoya-Foglesong, Financial Analyst  
Andrea Maxwell, Research Specialist Team Lead  
Janet Sims, Customer Service Representative IV  
Sheila Mendoza, Research Specialist  
Virgie Frausto, Research Specialist  
Telephone: (512) 463-7167

#### **D. Audit Forms**

1. Gas Utility Tax and Annual Forms available at <http://www.rrc.state.tx.us/gas-services/forms/>.
2. Copies of Gas Utility Annual Reports available on Neubus at: <https://rrcsearch3.neubus.com/esd3-rrc/index.php?module=esd&action=keysearch&profile=13>.
3. 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 ten business days for completion of requests.
4. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022 or fax your request to (512) 475-3180.

#### **E. Market Oversight Section Forms**

1. Annual Earnings and Monitoring Report available at <http://www.rrc.texas.gov/media/6085/annualearningsmonitoringreport.pdf>
2. Interim Cost Recovery and Rate Adjustment Report available at <http://www.rrc.texas.gov/media/6084/newinfrastructure.pdf>.

#### **F. Gas Utility Docket Information**

1. Orders and Proposals for Decision published on the Commission's web site at: <http://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/>
2. Gas Utility Dockets available on Neubus at <https://rrcsearch3.neubus.com/esd3-rrc/index.php?module=esd&action=keysearch&profile=14>.

#### **G. Natural Gas Tariff Filings**

1. Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Andrea Matamoros, Virgie Frausto, or Sheila Mendoza at (512) 463-7167.
2. Natural Gas Tariffs and Rate Schedules available at <http://www.rrc.texas.gov/gas-services/natural-gas-tariffs-and-rate-schedules/>.

#### **H. Common Carrier Pipeline Tariff Filings**

1. Questions pertaining to the filing of common carrier pipeline tariffs should be directed to Virgie Frausto at (512) 463-7121.
2. Common Carrier Pipeline Tariffs available at <http://www.rrc.texas.gov/gas-services/common-carrier-pipeline-tariffs/>.

#### **I. Propane Distribution Systems**

1. Propane distribution price cap information is available at: <http://www.rrc.texas.gov/gas-services/propane-distribution-systems/>.

**J. Curtailment Plan (Gas Utility Docket 489)**

1. Curtailment questions should be referred to (512) 463-7167 or by email at [naturalgascurtailment@rrc.texas.gov](mailto:naturalgascurtailment@rrc.texas.gov).
2. Curtailment reports made during normal business hours, Monday through Friday 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167.
3. Curtailment reports made after hours or during holidays, should be made to (512) 463-6788.

**K. Compliance Filings**

1. 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](mailto:GUD_Compliance@rrc.texas.gov).

**L. Complaints and Inquiries**

1. Residential and Commercial Propane and Natural Gas Complaints should be made at [GasComplaints@rrc.texas.gov](mailto:GasComplaints@rrc.texas.gov) or by phone at (512) 463-7167.
2. Informal Gas Purchasing, Selling, Transportation or Gathering Practice Complaints should be submitted online at <http://www.rrc.texas.gov/gas-services/complaint-filing/informal-gas-transportation-purchase-complaint-preliminary-information-online-form/> or at (512) 463-7167.
3. Informal Complaint Preliminary Information form available at <http://www.rrc.texas.gov/media/5671/informal-complaint-preliminary-information.pdf>.

**M. Non-Submetered Master Meter Disconnections**

1. Municipalities wishing to opt in receiving notice from utilities when non-submetered master metered multifamily property is subject to disconnection of service due to non-payment can do so at <http://www.rrc.texas.gov/gas-services/non-submetered-master-meter-disconnections/>.

**N. Texas Utilities Codes**

1. Available through the State of Texas website at <http://www.statutes.legis.state.tx.us>.

**O. Texas Administrative Codes**

1. Available at the State of Texas 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).

**P. Pending RRC Rules and Regulations**

1. Pending rules and regulations available at <http://www.rrc.state.tx.us/general-counsel/rules/>.

**Q. Proposed Form Amendments (PFD):**

1. PFDs available at <http://www.rrc.state.tx.us/about-us/resource-center/forms/proposed-form-changes/>.

**R. Hearings and Legal Analysis**

1. 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.

**S. Status of Pending Cases**

1. 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.