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GAS UTILITIES INFORMATION BULLETIN

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**No. 1143**

Christi Craddick, Chairman

Wayne Christian, Commissioner

Ryan Sitton, Commissioner

NOVEMBER 13, 2020  
OVERSIGHT AND SAFETY DIVISION  
Kari French, Director

## **TABLE OF CONTENTS**

SECTION 1: NEW APPEALS AND APPLICATIONS FILED	3
SECTION 2: APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE	4
SECTION 3: STATUS OF PENDING CASES	4
SECTION 4: NOTICES OF DISMISSAL	9
SECTION 5: ORDERS OF THE COMMISSION	9
SECTION 6: MISCELLANEOUS	9

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

**DOCKET NO.:** 11022  
**CAPTION** Inquiry into the Failure of Atmos Energy Corp., Mid-Tex Division to Comply with Safety Standards.  
**DATE FILED --** 10/29/2020  
**FILED BY --** Commission's Own Motion  
**EXAMINER --**  
**TECHNICAL --**

**DOCKET NO.:** 11023  
**CAPTION** Inquiry into the Failure of Modena Operating LLC to Comply with Safety Standards.  
**DATE FILED --** 11/09/2020  
**FILED BY --** Commission's Own Motion  
**EXAMINER --**  
**TECHNICAL --**

**DOCKET NO.:** 11024  
**CAPTION** Inquiry into the Failure of The Lynd Company to Comply with Safety Standards.  
**DATE FILED --** 1/09/2020  
**FILED BY --** Commission's Own Motion  
**EXAMINER --**  
**TECHNICAL --**

**DOCKET NO.:** 11025  
**CAPTION** Inquiry into the Failure of Enmark Operations, Inc. to Comply with Safety Standards.  
**DATE FILED --** 11/09/2020  
**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 2020](#)

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

<b>STATEMENT OF INTENT OF WEST</b>	§	
<b>TEXAS GAS, INC., TO INCREASE GAS</b>	§	<b>OS-20-00004347, Consolidated</b>
<b>UTILITY RATES WITHIN THE</b>	§	<b>(formerly GUD No. 10998)</b>
<b>UNINCORPORATED AREAS OF</b>	§	
<b>TEXAS</b>	§	

**NOTICE OF HEARING**

*Summary of the Proceeding and Factual Matters Asserted.* On August 7, 2020, West Texas Gas, Inc. (“WTG”) filed with the Commission a statement of intent to increase gas utility rates within the unincorporated areas in Texas that it serves (the “SOI”). The SOI originally was docketed as GUD No. 10998 and then changed to OS-20-00004347 under the Commission’s new CASES docket management system. In its SOI filing, WTG requests that the Commission: (1) approve rates and tariffs that are consistent with those proposed in its SOI; (2) make a prudency determination for all capital investment made by WTG through December 31, 2019; (3) approve new depreciation rates; (4) make a finding that WTG has fully complied with the Commission’s GUD No. 10695 Accounting Order; and (5) approve recovery by WTG of reasonable rate case expenses associated with this docket.

Subsequently, Staff of the Railroad Commission (“Staff”) formally intervened as a party “to assert its interest in assuring that the rules and regulations of the Railroad Commission of Texas, together with the appropriate statutes, have been followed.” Also participating as a formal party is the Alliance of WTG Municipalities (“AWM”), a coalition comprised of the following member cities: Cactus, Canadian, Canyon, Claude, Dalhart, Eden, Follett, Groom, Kermit, Lubbock, Natalia, Shamrock, Stratford, Texhoma, Texline, Wheeler, and White Deer.

On September 17, 2020, WTG filed a related petition for review from action taken by the Cities of Balmorhea, Darrouzett, Devine, Farwell, Higgins, Junction, La Vernia, Menard, Mobeetie, Paint Rock, Somerset, and Sonora. This appeal was docketed as OS-20-00004626. Upon a finding that this appeal and the original SOI involve common questions of fact and law, the presiding Administrative Law Judge (“ALJ”) granted an unopposed motion by WTG to consolidate OS-20-00004626 (the appeal) with OS-20-00004347 (the SOI).

The Commission received several timely-submitted comment letters from the public opposing WTG’s proposed rate increase. On October 14, 2020, these individuals were provided a “Complaint and Statement of Intent to Participate Form” in accordance with Commission Rule § 7.240 (Statement of Intent to Participate). No completed forms were returned.

On October 26, 2020, WTG notified the Hearings Division that the parties reached a settlement in principle resolving all issues in this proceeding.

**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—WTG’s requested relief. The scope of the hearing may be limited to the parties’ settlement agreement, which may include associated rate case expenses.

***Legal Authority and Jurisdiction.*** The Commission has, or may have, jurisdiction over WTG and the matters at issue in this proceeding pursuant to Texas Utilities Code 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), 104.001 (Authorization to Establish and Regulate Rates), 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 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 statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. All sections in Texas Utilities Code 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** the hearing on the merits shall commence at **9:00 a.m. on Wednesday, December 2, 2020, via the Zoom online platform.** The Zoom link will be circulated to the service list via e-mail prior to the start of the hearing. Members of the public may request the link by e-mailing: Sharon.Koren@rrc.texas.gov. If 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 recording device or 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.*** *Ex parte communications with the Commissioners, Administrative Law Judges, and Technical Examiners are prohibited. 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, Austin, Texas 78711-2967. Clerical questions, such as questions regarding the number of copies of filings, the service list, or reviewing the record, may be directed to Docket Services at (512) 463-6848.*

**Signed on November 4, 2020.**

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**JOHN B. DODSON  
ADMINISTRATIVE LAW JUDGE**

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**APPLICATION OF MIDCOAST G & P §  
(EAST TEXAS), L.P., TO CEASE SERVICE §  
TO ETX ENERGY, LLC §**

**OS-20-00004704**

**NOTICE OF HEARING**

***Summary of the Proceeding and Factual Matters Asserted.*** On August 10, 2020, Midcoast G & P (East Texas), L.P. (“Midcoast”), filed with the Commission an application to cease gas gathering service to ETX Energy, LLC (“ETX”), in accordance with Commission Rule § 3.73 (Pipeline Connection; Cancellation of Certificate of Compliance; Severance) (the “Midcoast Application”). ETX timely filed a protest on September 4, and so Commission Staff subsequently forwarded the Midcoast Application to the Hearings Division for adjudication as a contested matter.

On October 2, 2020, ETX filed a complaint against Midcoast within the same docket, alleging that Midcoast—on October 1—unlawfully disconnected from ETX gas lift service—a different type of gas service than what is the subject of the Midcoast Application—without first receiving approval from the Commission (the “ETX Complaint”).

At a prehearing conference held on October 8, 2020, Midcoast clarified that the scope of its application is only for Commission approval to cease gas gathering service currently provided to ETX, and not for gas lift service. At this same prehearing conference, counsel for both parties expressed a desire to hear both the Midcoast Application and the ETX Complaint together in the same proceeding.

**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 Midcoast Application. Also potentially to be considered at this same hearing are all issues of fact and law raised in, or relevant to, the ETX Complaint—either under this docket number or another, if heard together jointly.

***Legal Authority and Jurisdiction.*** The Railroad Commission has jurisdiction over Midcoast pursuant to Chapters 81, 85, and/or 111 of the Texas Natural Resources Code, and pursuant to Chapters 101, 102, 104, 105, and/or 121 of the Texas Utilities Code. The presiding Administrative Law Judge 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 the following:

3. Chapters 81, 85, and 111 of the Texas Natural Resources Code;
4. Chapters 101, 102, 104, 105, and 121 of the Texas Utilities Code, including Section 121.103 (Duty to Serve Certain Users Extinguished); and

5. Chapters 1, 3, and 7 of Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Commission Rule § 3.73 (Pipeline Connection; Cancellation of Certificate of Compliance; Severance).

***Time, Place, and Nature of Hearing.*** **IT IS DIRECTED THAT** the merits hearing shall commence at **9:00 a.m. on Thursday, November 19, 2020, via the Zoom online platform.** The Zoom link will be circulated to the service list via e-mail prior to the start of the hearing. Members of the public may request the link by e-mailing: Sharon.Koren@rrc.texas.gov. If 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 recording device or 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.*** *Ex parte communications with the Commissioners, Administrative Law Judges, and Technical Examiners are prohibited. 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, Austin, Texas 78711-2967. Clerical questions, such as questions regarding the number of copies of filings, the service list, or reviewing the record, may be directed to Docket Services at (512) 463-6848.*

**Signed on November 6, 2020.**

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**JOHN B. DODSON  
ADMINISTRATIVE LAW JUDGE**

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

None currently.

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

None currently.

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

GUD 10990: Application of Texas Gas Service Company for Test Year 2019 Annual Interim Rate Adjustment for the Unincorporated Areas of the North Texas Service Area.

- a. [Interim Rate Adjustment Order and Exhibits](#) (10/20/2020)

### **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:**

Stephen Cooper, Director, Utility Audit Section  
Janeen Metcalf, Compliance Analyst II  
Michael Martinez, Auditor  
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  
Christina Poole, Financial Analyst  
Claudia Godoy, Financial Analyst  
Frank Tomicek, Financial Analyst  
Sarah Montoya-Foglesong, Financial Analyst  
Tariq Usman, Financial Analyst  
Andrea Maxwell, Research Specialist II Team Lead  
David Bauman, Customer Service Representative IV  
Erik Gardner, Customer Service Representative IV  
Janet Sims, Customer Service Representative IV  
Sheila Mendoza, 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 Neabus at <https://rrcsearch3.neabus.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 Maxwell, Janet Sims, Sheila Mendoza or Virgie Frausto 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 Sheila Mendoza at 512-463-7023.
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.