

**INITIAL COMMENTS OF THE CITY OF HOUSTON**

The City of Houston (Houston) respectfully submits these comments in response to the proposed amendments to 16 TAC §7.455 relating to the Railroad Commission of Texas’ (RRC or Commission) curtailment priorities and programs in events that require the curtailment of natural gas service to end users. The proposed amendments replace the current Curtailment Standards that were adopted by the Commission in Order 489.

Houston recognizes the efforts of Commission Staff and Commissioners to amend Order 489 to ensure that the relationship between natural gas suppliers and electric generation is fully established during emergencies where the supplies or deliveries of natural gas are critical to the continued operation of natural gas fired electric generation. Houston appreciates the coordination between the Commission and the Public Utility Commission of Texas (PUCT) in their respective attempts to develop a curtailment/load shedding paradigm that will provide for the coordinated delivery of the needed natural gas supplies and electricity for Texas citizens during a curtailment event.<sup>1</sup> Because of the interdependency of the natural gas suppliers and the electric utilities, the combined efforts between the Commission and the PUCT are critical to ensure that natural gas suppliers and electric generation are supported in their respective efforts to provide service to Texas customers during an emergency.

Houston supports the change in the curtailment priority for electric generation facilities<sup>2</sup> serviced by natural gas suppliers in that it will ensure generation has a much higher curtailment

---

<sup>1</sup> As defined in the proposed §7.455(a)(2).

<sup>2</sup> As defined in the proposed §7.455(a)(3)

priority than exists under Order 489. With the classification of certain natural gas suppliers as a critical facility during an emergency,<sup>3</sup> the increased priority of providing natural gas to electric generation will ensure that natural gas suppliers have a greatly increased probability of receiving the necessary electric power to continue to operate. However, there are certain other customers of natural gas suppliers or natural gas local distribution companies (LDC) who receive natural gas pursuant to an interruptible contract, but who provide critical services such as water and wastewater services to the human needs customers as defined in the proposed §7.455 (a)(5). Based on the proposed curtailment priorities, customers who provide water and wastewater services may be the first to be curtailed as receiving non-firm natural gas deliveries.

**Firm versus Interruptible End-User Status.** Based on the proposed curtailment priorities in §7.455 (d), all but the group with the least priority are noted as receiving firm service. Although not defined, Houston assumes that firm service would require receiving the natural gas commodity and delivery from a single natural gas utility. Conversely, Houston assumes that the interruptible designation noted in §7.455 (d)(H), would include customers who purchase gas from a third party, but have it transported and delivered by the LDC. Given these assumptions, Houston is concerned that certain human needs will not be given the appropriate priority status under the proposed rule.

Municipal water and wastewater operations that use natural gas as their primary source of power but receive such gas pursuant to an LDC's interruptible transportation tariff or contract must be considered when developing the final curtailment priority. Although the proposal provides for prioritizing interruptible customers in accordance with §7.455 (d) A-G, this would only elevate the municipal water and wastewater operations to the highest priority of the interruptible customers. The possibility of water and wastewater operations being one of the first to be curtailed in a

---

<sup>3</sup> New 16 TAC §3.65 and amendments to 16 TAC §3.107.

curtailment event could impact a municipality's ability to provide potable water and wastewater services. Therefore, having firm and interruptible service as the defining factor in the proposed priorities does not consider these human needs services.

**Definition of Human Needs Customers.** Houston proposes that the definition of "Human Needs Customers"<sup>4</sup> be changed to include water and wastewater services. This change would provide for the continued natural gas service to water and wastewater operations during a curtailment event and would be similar to the designation by an electric utility of "Critical Load Public Safety Customer." Pursuant to PUCT Substantive Rules §25.497 (a) a critical load public safety customer is:

"A customer for whom electric service is considered crucial for the protection or maintenance of public safety, including but not limited to hospitals, police stations, fire stations, and critical water and wastewater facilities."

**Require Company Specific Curtailment Plans.** Although default plans provide an overall strategy and guidance to prioritize, plans that only follow the proposed rule would not address specific needs of communities and critical public safety services that differ based among service areas. To ensure that each LDC provides the necessary service to human needs customers in a curtailment event that are relevant and tailored to each service area, the Commission should require that all LDCs develop a specific curtailment plan that identifies those customers that specifically provide critical public safety services. Rather than allowing LDCs to use the proposed priorities<sup>5</sup> as a default plan, requiring a specific plan will ensure that critical public safety customers are not included in a different priority based on their respective daily gas service agreements. The Commission should require such plans within six months of the effective date of the amended curtailment standards.

---

<sup>4</sup> As defined in the proposed §7.455(a)(5).

<sup>5</sup> As proposed in §7.455(d) A-H.

Houston supports the amendments to Order 489 with the following modifications:

- Include water and wastewater services in the definition of Human Needs Customers to ensure continued delivery of natural gas during a curtailment event to customers who provide these services.
- Require natural gas suppliers to provide curtailment plans that are specific to their respective communities within six months of the effective date of the amended curtailment standards.

Houston appreciates the opportunity to submit comments on the proposed amendments to Order 489 and the current 16 TAC §7.455.

Respectfully Submitted,

CITY OF HOUSTON, TEXAS

DocuSigned by:  
*Alisa Talley*  
BCF73D669A3143E...

---

Alisa Talley, Division Manager /  
Administration & Regulatory Affairs  
611 Walker, 13<sup>th</sup> Floor  
Houston, TX 77002  
(832) 393-8531  
(832) 393-8527 fax  
BUSINESS REPRESENTATIVE FOR THE  
CITY OF HOUSTON, TEXAS