

**PROPOSED AMENDMENTS TO 16 TAC §  
§3.66, RELATING TO WEATHER  
EMERGENCY PREPAREDNESS  
STANDARDS**

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**BEFORE THE  
RAILROAD COMMISSION  
OF TEXAS**

**COMMENTS OF ATMOS ENERGY CORPORATION ATMOS PIPELINE-TEXAS  
DIVISION TO PROPOSED 16 TAC § 3.66, RELATING  
TO WEATHER EMERGENCY PREPAREDNESS STANDARDS**

Atmos Energy Corporation’s (“Atmos Energy”) Atmos Pipeline-Texas Division (“APT”) submits these timely filed comments in response to proposed 16 Tex. Admin. Code (“TAC”) § 3.66 (“Proposed Rule”) relating to weather preparedness standards approved for publication by the Railroad Commission of Texas (“Commission”) on June 28, 2022, and published in the July 15, 2022 issue of the *Texas Register*.<sup>1</sup>

**I. OVERVIEW**

APT is an unincorporated division of Atmos Energy. APT is an intrastate natural gas transmission pipeline operating solely in Texas. APT is one of the larger intrastate pipelines in Texas, consisting of approximately 5,700 miles of transmission pipeline, approximately 700 city gate meters, five underground storage facilities, and 48 gas compressors with a total of approximately 140,000 horsepower.

The APT pipeline system serves a geographical area bounded by the Oklahoma border; the Katy hub near Houston; the Carthage hub in East Texas; the Waha hub in West Texas; and the Austin/Hill Country area. APT serves three distinct customer segments: (i) the local distribution company (LDC) market segment; (ii) the on-system (i.e., directly served by APT) industrial segment (except for certain industrial customers that are served under negotiated rates

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<sup>1</sup>47 Tex. Reg. No. 27 (July 15, 2022).

and are in the Other Revenue segment); and (iii) the Other Revenue segment consisting principally of certain interruptible industrial customers, through-system transportation (e.g., customers that utilize APT to deliver volumes to another pipeline) and electric generation.

The applicability and importance of the proposed Weather Emergency Preparedness Rule to APT's operations lie primarily with its storage and compression assets. These storage and compression facilities are utilized to help maintain pipeline gas pressure, flow, and deliveries throughout the APT system and are vital to APT's ability to deliver gas at all times, including during weather emergencies. There are seventeen essential facilities in Texas including five storage assets and twelve mainline facilities that effectuate gas supply. Of the five storage assets, one facility is a solution-mined salt dome facility, while the other four are depleted reservoir facilities. The storage facilities consist of injection and withdrawal wells (58 total), associated in field transmission lines, filtration and process equipment, dehydration, and compression. The mainline facilities consist of reciprocating and turbine compression units and are used to increase pipeline pressure and gas flow to enhance system throughput and volume delivered.

APT's operational goals and priorities align seamlessly with the goals and priorities outlined by the legislature in the bill adopting Texas Utilities Code Section 121.2015 and the Commission's Proposed Rule. The general fundamental purpose of APT's operations is to provide safe and reliable service with reliability to its firm customers being the highest priority—in other words, those customers who are entitled through tariff or contract to receive natural gas service when demanded. Gas must be available when firm customers demand it, irrespective of operating and market conditions, including those that may be caused by weather-related activity. For this reason, APT designs and operates its system to perform under anticipated weather conditions based on experience, historical data, and modeling. APT offers only the amount of firm service that its

system can reliably serve, prioritizing its human needs customers. System planning is designed to deliver to all firm customers under peak demand, which is often driven by cold weather conditions.

It is from this vantage point that APT provides the suggestions below to clarify language and intent of certain sections of proposed Rule 3.66 so that it can be most effectively implemented.

## II. COMMENTS ON PROPOSED RULE 3.66

As discussed in detail below, APT respectfully requests that the Commission revise the proposed amendments to accomplish the following:

### A. Definition of “Major weather-related forced stoppage”

Proposed §3.66(b)(4) defines “major weather-related forced stoppage” and proposed §3.66(b)(9) defines “weather-related forced stoppage” as follows:

(4) Major weather-related forced stoppage--A weather-related forced stoppage that results in a significant impact to public safety as determined by the Critical Infrastructure Division Director or is the result of the deliberate disregard of this section

(9) Weather-related forced stoppage--An unanticipated and/or unplanned outage in the production, treating, processing, storage, or transportation of natural gas that is caused by weather conditions such as freezing temperatures, freezing precipitation, or extreme heat.

The proposed (b)(9) definition of “weather-related forced stoppage” provides clear direction on the circumstances under which an issue with a facility that produces, treats, processes, stores, or transports natural gas would meet the definition. However, the definition of “major weather-related forced stoppage” in proposed (b)(4) provides little guidance or specificity to put operators on notice as to what would fall within this definition. In the current text of the Proposed Rule, this term is only used one time in the following context:

An operator of a gas supply chain facility or a gas pipeline facility that experiences repeated weather-related forced stoppages or **major weather-related forced stoppages** in sustained operation, such as equipment freeze-offs, instrument failures, forced outages, or forced shut-ins shall, upon notice from the Commission,

contract with a qualified engineer with related experience to assess its weather emergency preparation measures, plans, procedures, and operations.

In order to provide clear guidance to operators through this Proposed Rule, APT suggests that the definition of “major weather-related force stoppage” in proposed (b)(4) be modified to establish operational thresholds, exceeding which would trigger any requirements applied to this definition. APT agrees with the Commission’s guidance in Section 3.66(f)(1) creating reporting requirements for a stoppage that exceeds a certain threshold. APT suggests that this threshold (or a similarly stated threshold of amounts deemed appropriate by the Commission) would provide clear direction for determining whether a stoppage is a “major weather-related forced stoppage.”

Therefore, APT respectfully requests that proposed §3.66(b)(4) be revised to read as follows:<sup>2</sup>

(4) Major weather-related forced stoppage--A weather-related forced stoppage ~~that results in a significant impact to public safety as determined by the Critical Infrastructure Division Director~~ resulting in a loss of *wellhead* production exceeding 5,000 Mcf of natural gas per day, or a stoppage of gas processing, storage withdrawal, or transportation capacity exceeding 200 MMcf per day for more than 24 hours, or that is the result of the deliberate disregard to this section.

## **B. Clarification of Emergency Plan Requirements**

Proposed §3.66(c)(2)(C) states that “Weather emergency preparation measures required by paragraph (1) of this subsection shall include. . . (C) emergency operations planning using a risk-based approach to identify, test, and protect the critical components of the facility.” “Risk-based” is a term of art used in pipeline safety regulations (e.g. 16 T.A.C. Rule 8.209) to describe comprehensive risk-based programs to determine relative risks and associated consequences in order to make integrity management decisions. It is unclear to APT what that term means in the

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<sup>2</sup> Note the addition of the word “wellhead” in this text, which is otherwise taken from Section 3.66(f)(1). This suggested edit is explained further in Subsection D below.

context of this subsection of the Proposed Rule. APT believes that the term is used in this context to indicate that emergency operations planning should take into account the relative criticality of the facility or functionality in question to production and/or deliverability of natural gas. Therefore, APT respectfully requests that proposed §3.66(c)(2)(C) be revised to read as follows:

(C) emergency operations planning ~~using a risk-based approach~~ based on the relative criticality to production and/or deliverability to identify, test, and protect the critical components of the facility;

**C. Clarification of the Use of Weather Data**

Proposed §3.66(c)(2)(D) states:

(D) weatherization of the facility using methods applicable to the facility based on the type of facility, the facility's critical components, the facility's location, and weather data for the facility's county or counties including data illustrated in the table of this subsection. . . .

As a general point of clarification, APT believes it is important to distinguish between (1) planning for preparedness of facilities to support their functionality during extreme weather conditions and (2) planning for the quantities of gas to be deliverable based on modeling of peak demand. APT understands proposed Rule 3.66 to provide guidance and requirements for the preparedness of facilities rather than planning for the quantities of natural gas to be delivered based on modeling of peak demand. Comprehensive weather data is used in both types of planning, but each situation requires specific, tailored data and other information used in specific ways. For the planning to support the functioning of facilities, Atmos Energy uses commercially available equipment and technologies to plan to be prepared in extreme conditions, such as the historic heating degree days. With regard to planning for Atmos Energy's anticipated peak demand and the potential range of demand, APT bases that planning on specific, comprehensive weather and operational data using principles and practices reviewed regularly by the Commission through its rate regulation.

In order to clarify that all appropriate weather data will be considered as needed for emergency operations planning, APT respectfully requests that proposed §3.66(c)(2)(D) be revised to read as follows:

(D) weatherization of the facility using methods applicable to the facility based on the type of facility, the facility's critical components, the facility's location, and appropriate weather data for the facility's county or counties, ~~including such as the~~ data illustrated in the table of this subsection. . . .

**D. Clarification of What Is Meant by “Production”**

Proposed §3.66(f)(1) states, in pertinent part:

(1) . . . In the event a weather-related forced stoppage results in a loss of production exceeding 5,000 Mcf of natural gas per day, or a stoppage of gas processing, storage withdrawal, or transportation capacity exceeding 200 MMcf per day, the operator shall, upon discovery of the stoppage, immediately contact the Commission on the Critical Infrastructure Division 24-hour emergency telephone number. . . .

To clarify that the threshold for loss of production refers to wellhead production rather than delivery through a receipt point, APT respectfully requests that Proposed §3.66(f)(1) be revised as follows:

(1) . . . In the event a weather-related forced stoppage results in a loss of wellhead production exceeding 5,000 Mcf of natural gas per day, or a stoppage of gas processing, storage withdrawal, or transportation capacity exceeding 200 MMcf per day, the operator shall, upon discovery of the stoppage, immediately contact the Commission on the Critical Infrastructure Division 24-hour emergency telephone number. . . .

**III. CONCLUSION**

APT appreciates the opportunity to submit these comments and looks forward to working with the Commission, Staff, and other interested parties to develop the final version of this significant rulemaking.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ann M. Coffin", written over a horizontal line.

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**ATTORNEYS FOR ATMOS ENERGY  
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