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GAS UTILITIES INFORMATION BULLETIN

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**No. 1156**

Christi Craddick, Chairman

Wayne Christian, Commissioner

Jim Wright, Commissioner

MAY 31, 2021

OVERSIGHT AND SAFETY DIVISION

Kari French, Director

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

**DOCKET NO:** 11044  
**CAPTION** Inquiry into the Failure of Tokai Carbon CB LTD. to Comply with Safety Standards.  
**DATE FILED --** 05/25/2021  
**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 2021](#)

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**SHOW CAUSE PROCEEDING FOR §  
EASTMAN GAS COMPANY, LLC, TO §  
SHOW CAUSE WHY IT SHOULD NOT BE §  
COMPELLED TO COMPLY WITH §  
COMMISSION RULE § 3.73(B) §**

**OG-20-00005143**

**NOTICE OF HEARING**

**Summary of the Proceeding and Factual Matters Asserted.** On November 17, 2020, the Hearings Division received this docket to consider and adjudicate as a show cause hearing. Imagery Exploration, Inc. (“Imagery”) alleged Eastman Gas Company, LLC (“Eastman”) discontinued pipeline connection services in violation of 16 Tex. Admin. Code § 3.73(b) (“Commission Rule 3.73(b)"). Eastman denied violating Commission Rule 3.73(b). The show cause hearing will determine whether Eastman should not be compelled to comply with Commission Rule § 3.73(b).

A final decision will not be made at the hearing. Rather, the presiding Administrative Law Judge (“ALJ”) and Technical Examiners 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.** As the respondent in this show-cause proceeding, Eastman has the burden of proof, which is a preponderance of the evidence. 16 Tex. Admin. Code § 1.24 (Show-Cause Proceedings). On Eastman’s failure to appear at the hearing or meet its burden of proof, Eastman may be compelled to do the act required or to refrain from doing an act required under Commission Rule § 3.73(b).

When making a determination regarding this show cause proceeding, the Commission shall consider whether Eastman, before physically disconnecting its facilities from or ceasing to provide pipeline services to Imagery, first obtained:

- (1) written consent of Imagery for the proposed disconnect or termination; or
- (2) written permission from the Commission.

Commission Rule § 3.73(b) does not apply to temporary suspensions of service authorized under other rules in this title or attributable to maintenance, safety, or product quality issues.

**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 show cause issue.

**Legal Authority and Jurisdiction.** The Commission has jurisdiction over Eastman and the matters at issue in this proceeding pursuant to Title 3 (Oil and Gas) of the Texas Natural Resources 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 may include, but are not limited to, the following: The Commission's rules relating to practice and procedure (Chapter 1) and the Oil and Gas Division (Chapter 3), including Commission Rule § 3.73 (Pipeline Connection; Cancellation of Certificate of Compliance; Severance).

**Time, Place, and Nature of Hearing.** **IT IS DIRECTED** the hearing on the merits shall commence at **9:00 a.m. on Thursday, June 24, 2021, 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 May 24, 2021.**



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**DEE MARLO CHICO  
ADMINISTRATIVE LAW JUDGE**

**SECTION 3: STATUS OF PENDING CASES**

None currently.

**SECTION 4: NOTICES OF DISMISSAL**

None currently.

**SECTION 5: ORDERS OF THE COMMISSION**

None currently.

**SECTION 6: MISCELLANEOUS**

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

1. Gas Utilities Information Bulletins available at <https://rrc.texas.gov/gas-services/publications-statistics/>.
2. Rate Review Handbook available at <https://rrc.texas.gov/gas-services/publications-statistics/>.
3. Gas Utilities Annual Statistics available at <https://rrc.texas.gov/gas-services/publications-statistics/>.
4. Gas Storage Statistics available at <https://rrc.texas.gov/gas-services/publications-statistics/>.
5. Six MCF Residential Gas Bill Analysis for Texas Cities available at <https://rrc.texas.gov/gas-services/publications-statistics/>.

**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 2021 is 0.61%. All gas utilities should use 2.21% for the calendar year 2020 and 1.92% for calendar year 2019. 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  
Telephone: 512-463-7167

**D. Audit Forms**

1. Gas Utility Tax and Annual Forms available at <https://rrc.texas.gov/gas-services/gas-services-forms/>.
2. Gas Utility Annual Reports available on Neubus at: [https://rrcresearch3.neubus.com/esd3-rrc/index.php?\\_module=esd&\\_action=keysearch&profile=13](https://rrcresearch3.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 <https://rrc.texas.gov/gas-services/gas-services-forms/>.
2. Interim Rate Adjustment Application (GRIP) and Customer Notice available at <https://rrc.texas.gov/gas-services/gas-services-forms/>.

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

1. Orders and Proposals for Decision published on the Commission's web site at <https://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/> or RRC CASES at <https://www.rrc.texas.gov/hearings/rrc-cases/>.
2. Gas Utility Dockets available on Neubus at [https://rrcsearch3.neubus.com/esd3-rrc/index.php?\\_module=\\_esd&\\_action=\\_keysearch&profile=14](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 Maxwell, Janet Sims, Erik Gardner or David Bauman at (512) 463-7167.
2. Natural Gas Tariffs and Rate Schedules available at <https://www.rrc.texas.gov/gas-services/natural-gas-tariffs-rate-schedules/>.

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

1. Questions pertaining to the filing of common carrier pipeline tariffs should be directed to Janet Sims at 512-463-6779.
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 512-463-7155 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 512-463-7164.
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 <https://www.rrc.texas.gov/gas-services/gas-services-forms/>.



**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/forms/proposed-form-amendments/>.

**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.