



GAS UTILITIES INFORMATION BULLETIN

No. 1091

Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

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

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SECTION 1: NEW APPEALS AND APPLICATIONS FILED

DOCKET NO.: 10773
CAPTION CoServ Gas, Ltd.'s Notice of Intent to Reduce Rates Established in GUD No. 9909 Pursuant to Section 104.111 of the Gas Utility Regulatory Act.
DATE FILED -- 09/04/2018
FILED BY -- John R. Hays
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**

STATEMENT OF INTENT FILED BY §
T & L GAS CO. TO INCREASE RATES IN §
THE ENVIRONS OF THE CITY OF § GAS UTILITIES DOCKET No. 10738
CONROE IN MONTGOMERY COUNTY, §
TEXAS §
§

NOTICE OF HEARING

Summary of the Proceeding – On June 12, 2018, T & L Gas Co. (“T & L”) filed with the Railroad Commission of Texas (“Commission”) a Statement of Intent to Increase Utility Rates in the Environs of the City of Conroe in Montgomery County, Texas, which was docketed as GUD No. 10738. Staff of the Railroad Commission of Texas (“Staff”) intervened in this docket. On August 21, 2018, the Commission suspended the effective date for T & L’s rate increase for 150 days pursuant to GURA Section 104.107 (Rate Suspension; Deadline). The statutory deadline for Commission action is January 18, 2019.

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— T & L’s Statement of Intent (“SOI”). The issues that may be addressed at the hearing include, but are not limited to, the following:

1. The legality and effect of T & L’s SOI;
2. The justness and reasonableness of T & L’s proposed rates, operations, services, and tariffs;
3. The safety, adequacy, efficiency, and reasonableness of services provided by T & L;

4. T & L's compliance with all applicable statutes, rules, orders, duties, direction, or requirements of the Commission, enforced by the Commission, or imposed by the Commission;
5. Whether any changes should be imposed on any existing tariffs;
6. Whether the changes in rates and services proposed by T & L comply with applicable provisions of the Texas Utilities Code; and
7. Any other issues raised in the pleadings, evidence, or argument that are necessary for the Commission to render a final decision on the merits of this proceeding.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over T & L and the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 104.001 (Authorization to Establish and Regulate Rates), and pursuant to Chapter 121 (Gas Pipelines) of the Texas Utilities Code, including Sections 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 Administrative Law Judges and the Technical Examiners 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, but are not limited to, the following:

1. All sections in GURA 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 /or Chapter 121 (Gas Pipelines) of the Texas Utilities Code; 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** that the hearing on the merits shall commence at **9:00 a.m. on Wednesday, September 19, 2018**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor, room 12-126. 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** file a Notice of Intent to Appear seven days prior to the scheduled hearing and 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 (Proceeding by Telephony).

Written Transcript of the Hearing. The record of the hearing will be made 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 – *In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any 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, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.*

Dana Avant Lewis
Administrative Law Judge
Hearings Division

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT OF TEXAS	§	
GAS SERVICE, A DIVISION OF ONE	§	GAS UTILITIES DOCKET
GAS, INC. (TGS), TO INCREASE GAS	§	NO. 10739
UTILITY RATES WITHIN THE NORTH	§	
TEXAS SERVICE AREA (NTSA)	§	

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On June 20, 2018, Texas Gas Service, a division of ONE Gas, Inc. (“TGS”), filed with the Commission a statement of intent to increase gas utility rates within the unincorporated areas of its North Texas Service Area (the “SOI”). The SOI was docketed as GUD No. 10739. As part of its rate filing, TGS requests that the Commission: (1) establish new increased rates for the North Texas Service Area (“NTSA”); (2) find that TGS has complied with the Commission’s Accounting Order in GUD No. 10695 for the NTSA; (3) approve the prudence of capital investment made in the NTSA through December 31, 2017; (4) approve new depreciation rates; and (5) authorize TGS to recover all reasonable rate case expenses incurred in connection with its SOI.

Contemporaneously with its SOI, TGS filed statements of intent to increase rates with the municipalities retaining original jurisdiction in the NTSA (together with the SOI, and to the extent the Commission acquires jurisdiction over these actions, the “Consolidated Requested Relief”).

On August 21, 2018, the Commission suspended the effective date for TGS’s rate increase for 150 days, pursuant to Section 104.107 (Rate Suspension; Deadline) of the Gas Utility Regulatory Act (“GURA”) of the Texas Utilities Code.

Intervening Parties. Commission staff (“Staff”) 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.”

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 Consolidated Requested Relief.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over TGS and the matters at issue in this proceeding pursuant to GURA 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), and 104.001 (Authorization to Establish and Regulate Rates), and pursuant to GURA Sections 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 Administrative Law Judge (“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:

3. All sections in GURA 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
4. 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** that the hearing on the merits shall commence at **9:30 a.m. on Thursday, October 4, 2018**, 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).

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John 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

None currently.

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 13th Street Annex
401 West 13th 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
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.
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.

L. Complaints and Inquiries

1. Residential and Commercial Propane and Natural Gas Complaints should be made at 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.