



GAS UTILITIES INFORMATION BULLETIN

No. 1080

Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

MARCH 31, 2018
OVERSIGHT AND SAFETY DIVISION
Kari French, Director

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SECTION 1: NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- **10713**
CAPTION -- Texas Gas Service, a division of ONE Gas, Inc.'s Notice of Intent to Reduce Gas Utility Rates Within the Unincorporated Areas of the West Texas Service Area Consistent with the Accounting Order Issued in GUD No. 10695 Pursuant to Section 104.111 of the Gas Utility Regulatory Act.
DATE FILED -- 03/28/2018
FILED BY -- Kate Norman
EXAMINER -- Frank Tomicek
TECHNICAL --

DOCKET NO. -- **10714**
CAPTION -- Texas Gas Service, a division of ONE Gas, Inc.'s Notice of Intent to Reduce Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area Consistent with the Accounting Order Issued in GUD No. 10695 Pursuant to Section 104.111 of the Gas Utility Regulatory Act.
DATE FILED -- 03/28/2018
FILED BY -- Kate Norman
EXAMINER -- Sarah Montoya-Foglesong
TECHNICAL --

DOCKET NO. -- **10715**
CAPTION -- Application filed by Centerpoint Energy Entex for Test Year 2017 Annual Interim Rate Adjustment for the Unincorporated Areas of the Houston Division and Cities that have Ceded Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- 03/29/2018
FILED BY -- Perrin Wall
EXAMINER -- Amy Bruce
TECHNICAL --

DOCKET NO. -- **10716**
CAPTION -- Application filed by Centerpoint Energy Entex for Test Year 2017 Annual Interim Rate Adjustment for the Unincorporated Areas of the Beaumont/East Texas Division and Cities that have Ceded Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- 03/29/2018
FILED BY -- Perrin Wall
EXAMINER -- Christina Poole
TECHNICAL --

DOCKET NO. -- **10717**
CAPTION -- Application filed by Centerpoint Energy Entex for Test Year 2017 Annual Interim Rate Adjustment for the Unincorporated Areas of the Texas Coast Division and Cities that have Ceded Jurisdiction to the Railroad Commission of Texas.
DATE FILED -- 03/29/2018
FILED BY -- Perrin Wall
EXAMINER -- Sarah Montoya-Foglesong
TECHNICAL --

SECTION 2: APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE

[Office of General Counsel Weekly Hearing Schedules for 2017](#)

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT OF CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, TO INCREASE RATES IN THE SOUTH TEXAS DIVISION	§ § § § § §	GAS UTILITIES DOCKET NO. 10669, Consolidated
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NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On November 16, 2017, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint”) filed with the Commission a statement of intent to increase gas utility rates in the unincorporated areas of its South Texas Division and in certain cities in the South Texas Division that have ceded original jurisdiction to the Commission (the “SOI”). The SOI was docketed as GUD No. 10669. As part of its rate filing, CenterPoint requests that the Commission: (1) approve tariffs and rate schedules associated with the SOI; (2) approve a proposed Safety and System Integrity (“SSI”) regulatory asset; (3) approve the prudence of capital investment made in the South Texas Division through September 30, 2017; (4) approve new depreciation rates; (5) approve a surcharge to collect expenses incurred by CenterPoint as a result of Hurricane Harvey; (6) approve a surcharge to recover reasonable rate-case expenses; and (7) grant CenterPoint such further relief to which it may be entitled.

On December 5, 2017, the Commission suspended the effective date for CenterPoint’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. Subsequently, CenterPoint voluntarily extended this suspension further until June 19, 2018.

On January 3, 2018, the Administrative Law Judge (“ALJ”) aligned all municipal parties under Commission Rule §§ 1.86 (Alignment of Municipal Intervenors for Purposes of Discovery) and 1.61 (Classification and Alignment of Parties). On January 4, 2018, the ALJ severed the rate case expenses portion of this docket into a separate docket, GUD No. 10678.

Contemporaneously with its SOI, CenterPoint filed statements of intent to increase rates with the municipalities retaining original jurisdiction in the South Texas Division (together with the SOI, and to the extent the Commission acquires jurisdiction over these municipal actions, the “Consolidated Requested Relief”). On December 18, 2017, CenterPoint timely filed with the Commission a petition for review from the actions of the Cities of Niederwald and Poth. That petition for review, docketed as GUD No. 10677, subsequently was consolidated with GUD No. 10669 (the SOI docket). On January 9, 2018, CenterPoint timely filed with the Commission a petition for review from the actions of the Cities of Mathis and Yorktown. That petition for review, docketed as GUD No. 10680, subsequently was consolidated with GUD No. 10669 (the SOI docket).

On March 14, 2018, CenterPoint notified the ALJ that the parties reached a settlement. On March 26, 2018, the ALJ consolidated GUD No. 10678 (rate case expenses) with GUD No. 10669 (the SOI docket).

Intervening Parties. Three parties have intervened in this docket: (1) Staff of the Railroad Commission (“Staff”), (2) South Texas Coalition of Cities (“STCC”), and (3) Alliance of CenterPoint Municipalities (“ACM”).

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—CenterPoint’s Consolidated Requested Relief. The scope of the hearing may be limited to the parties’ settlement.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over CenterPoint 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 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 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
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, April 18, 2018**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor. 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).

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.*

John Dodson
Administrative Law Judge

SECTION 3: STATUS OF PENDING CASES

None at this time.

SECTION 4: NOTICES OF DISMISSAL

None at this time.

SECTION 5: ORDERS OF THE COMMISSION

GUD No. 10656: Statement of intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to increase the gas utility rates within the unincorporated areas of the Rio Grande Valley Service Area. ([Final Order with Attachments 03/20/2018](#))

GUD No. 10663: Application of Texas Gas Service Company for Test Year 2016 Annual Interim Rate Adjustment for the Unincorporated Areas of the North Texas Service Area. ([Interim Rate Adjustment Order and Exhibits 03/20/2018](#))

GUD No. 10666: Application of Texas Gas Service Company for Test Year 2016 Annual Interim Rate Adjustment for the Unincorporated Areas of the Gulf Coast Service Area. ([Interim Rate Adjustment Order and Exhibits 03/20/2018](#))

GUD No. 10668: Application of West Texas Gas for Test Year 2016 annual interim rate adjustment program for the unincorporated areas of Texas. ([Interim Rate Adjustment Order and Exhibits 03/20/2018](#))

SECTION 6: MISCELLANEOUS

Kari French, OVERSIGHT AND SAFETY DIRECTOR

1. OFFICE OF THE DIRECTOR

A. Publications

1. Texas Utilities Code Titles 3 and 4. Now available at the State of Texas' website at:

<http://www.statutes.legis.state.tx.us>

Special Rules of Practice and Procedure and Substantive Rules. Now available via the Commission's 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)

2. Annual Report for Fiscal Year – Now available via the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/gas-utility-annual-statistical-reports/>

3. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - Now available via the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/six-mcf-report/>

B. Interest Rate on Customer Deposits

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.

<https://www.puc.texas.gov/industry/electric/reports/HRates/HistRates.pdf>

2. UTILITY AUDIT SECTION

A. Maintains headquarters and three district offices as follows:

Headquarters - William B. Travis Building
1701 North Congress, P. O. Box 12967, Austin, Texas 78701 Telephone (512) 463-7022
Fax (512) 475-3180

Ed Abrahamson, Director, Utility Audit Section
Pearl Rodriguez, Program Specialist
Diana Serrano, Accounting Technician

Fort Worth - City Hall 13th St. Annex, 401 W. 13th St Ste B Telephone (817) 882-8966
Fax (817) 882-8951

Josh Settle, Senior Auditor
Yolandra Davis, Senior Auditor

Austin District - P. O. Box 12967, Austin, Texas 78711-2967

Stephen Cooper, Advising Auditor Telephone (512) 463-7119

Houston District - 1706 Seamist Drive, Suite 501 Telephone (713) 869-8425
Houston, TX 77008-3135 Fax (713) 869-3219

Margie Stoney, Project Auditor
Larry Alcorn, Auditor
Dale Francis, Senior Auditor
Konata Uzoma, Senior Auditor
Vonetta Jackson, Auditor

B. Gas Utility Tax, Annual Reports and Audit Reports

1. Questions relating to gas utility tax, call Pearl Rodriguez at (512) 463-7022.
2. Questions relating to annual reports, call Pearl Rodriguez at (512) 463-7022.
3. Inquiries relating to audit reports, call Pearl Rodriguez at (512) 463-7022.

<http://www.rrc.state.tx.us/gas-services/forms/>

C. Available Information

Gas Utility Annual Reports - Now available via Commission's website at:

<https://rrcsearch3.neubus.com/esd3-rrc/index.php? module =esd& action =keysearch&profile=13>

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 seven to ten business days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

3. MARKET OVERSIGHT

A. Maintains the following office to assist you:

Mark Evarts, Director

Headquarters - William B. Travis Building
1701 North Congress, P.O. Box 12967, Austin, Texas 78711
Telephone (512) 463-7167

B. Gas Utilities Information Bulletin

Published on the Commission's website at:
<http://www.rrc.texas.gov/gas-services/publications-statistics/gas-utilities-information-bulletins/>

C. Proposals for Decision

Published on the Commission's web site at:
<http://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/>

D. Tariff Filings

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Claudia Godoy, Andrea Matamoros, Virgie Frausto, or Sheila Mendoza at (512) 463-7167.

E. Curtailments

Curtailment questions should be referred to (512) 463-7167 or by email at naturalgascurtailment@rrc.texas.gov. Curtailment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167. Curtailment reports made during hours other than those specified above and holidays, should be made to (512) 463-6788.

F. Compliance Filings

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.

G. Complaints and Inquiries

All complaints and inquiries relating to the gas utility industry should be directed to the Market Oversight Section at (512) 463-7164 or by email at GasComplaints@rrc.texas.gov.

H. Pending RRC Rules and Regulations:

<http://www.rrc.state.tx.us/general-counsel/rules/>

I. Proposed Form Amendments:

<http://www.rrc.state.tx.us/about-us/resource-center/forms/proposed-form-changes/>

4. HEARINGS AND LEGAL ANALYSIS

A. Miscellaneous

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.

B. Status of Pending Cases

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.