



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

TO: All Parties of Record

Re: Gas Utilities Docket No. 10020 Statement of Intent filed by GreenLight Gas to change its gas transportation rate for service to the following cities and nearby unincorporated areas: Clarendon, Dodson, Dozier, Estelline, Hedley, Lakeview, Lelia Lake, Lutie, Memphis, Newlin, Paducah, Samnorwood and Wellington.

PFD and Deadlines for Exceptions, and Replies

Enclosed are the Proposal for Decision ("PFD"), Proposed Order, Tariffs and Proposed Schedules issued in this case. Pursuant to Section 1.141 of the Commission's General Rules of Practice and Procedure, these documents are being circulated to each party or its authorized representative. This is only a proposal and is not to be interpreted as a final decision unless an official order adopting the proposal is issued by the Commission.

Under Section 1.142 of the General Rules of Practice and Procedure (16 T.A.C. §1.142), each party has the right to file written *Exceptions* to the PFD and *Replies to the Exceptions* of other parties. *Exceptions* must be filed by **April 8, 2011**, and *Replies to Exceptions* must be filed by **10:00 a.m. April 12, 2011**. All parties are reminded that pleadings are considered filed only upon actual receipt by the Docket Services Section of the Office of General Counsel (Room 12-130). An original plus **ELEVEN** copies of exceptions and replies should be submitted to the Commission. **PLEASE DO NOT STAPLE**. Further, a copy of these pleadings must be submitted to each party. **IN ADDITION PARTIES ARE REQUESTED TO PROVIDE THE EXAMINERS WITH A COPY OF ANY FILINGS ON A DISKETTE IN WORD OR WORDPERFECT FORMAT. THE DISKETTE SHOULD BE LABELED WITH THE DOCKET NUMBER, THE TITLE OF THE DOCUMENT, AND THE FORMAT OF THE DOCUMENT.** Currently, the Commission has Conferences scheduled April 19, 2011 and this item will be posted for consideration at that conference. Notice of consideration of this docket at any current or additional conference will be duly posted with the Secretary of State.

Contact for Additional Information – In accordance with Tex. Gov't Code Ann. §2001.061 (Vernon 2000) and 16 Tex. Admin. Code § 1.6 (1991), ex parte communications with the Hearings Examiners and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to Colin Lineberry at the Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, Austin, Texas 78711-2967, or by calling Mr. Lineberry at (512) 463-7033. 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 the secretary of the Gas Services Section of the Office of General Counsel, Loretta Howard, at (512) 463-7033.

Sincerely,

A handwritten signature in blue ink that reads "Gene Montes".

Gene Montes
Hearings Examiner

OFFICE OF GENERAL COUNSEL

Gas Utilities Docket (GUD) No. 10020

Statement of Intent filed by GreenLight Gas to change its gas transportation rate for service to the following cities and nearby unincorporated areas: Clarendon, Dodson, Dozier, Estelline, Hedley, Lakeview, Lelia Lake, Lutie, Memphis, Newlin, Paducah, Samnorwood and Wellington

APPEARANCES:

FOR APPLICANT:

Jamie Nielson
Attorney at Law
7000 North Mo-Pac Expressway, 2nd floor
Austin, Texas 78731

GreenLight Gas



PROPOSAL FOR DECISION

PROCEDURAL HISTORY

STATEMENT OF INTENT:	September 30, 2010
REVISED STATEMENT OF INTENT:	October 13, 2010
PFD CIRCULATION DATE:	March 31, 2011
STATUTORY DEADLINE:	April 30, 2011
STATUS:	Non-protested

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ATTACHMENT: RATE BASE AND REVENUE REQUIREMENT SUMMARY

I. OVERVIEW

GreenLight Gas (GreenLight) requests the Commission approve a new tariff which includes the rates, terms and conditions applicable to (1) GreenLight's transport of natural gas to a citygate and (2) the recovery of regulatory expenses related to this docket. GreenLight proposes to increase the current citygate transportation rate by 8.6% from \$2.42 per thousand cubic feet (Mcf) to \$2.628 per Mcf. The company proposes a rate case expense surcharge of \$.046 per Mcf to be in effect for three years from the date of the Final Order in this docket. No person requested to intervene in Docket No. 10020 nor did any person protest the rates proposed by GreenLight. The examiners recommend the Commission approve GreenLight's tariff, attached to the proposed Final Order, including the rates, terms, and conditions proposed by GreenLight.

II. PROCEDURAL HISTORY

GreenLight Gas is a not-for-profit corporation formed by Greenbelt Electric Cooperative and Lighthouse Electric Cooperative to provide natural gas service to certain customers located in the Texas panhandle. GreenLight operates both a gas distribution system and a pipeline transportation system. The pipeline transportation system is for the exclusive use of GreenLight's distribution customers and agricultural customers.¹

On September 30, 2011, GreenLight filed at the Railroad Commission of Texas, pursuant to Subchapter C of Section 104 of the Texas Utilities Code, a *Statement of Intent* to increase to \$2.675 per Mcf the natural gas transportation rate affecting the cities of Clarendon, Dodson, Dozier, Estelline, Hedley, Lakeview, Lelia Lake, Lutie, Memphis, Newlin, Paducah, Samnorwood and Wellington, and nearby unincorporated areas. These 13 cities and nearby unincorporated areas are located in five counties in the Texas panhandle, including Childress, Collingsworth, Cottle, Donley and Hall counties. The transportation rate proposed in GreenLight's September 30, 2011 *Statement of Intent* was designed to recover, among other costs, rate case expenses associated with the company's *Statement of Intent*.

On October 13, 2010, GreenLight filed a *Revised Statement of Intent*. In the revised *Statement of Intent*, GreenLight requested the Commission approve two rates, including a rate case expense surcharge of \$.046 per Mcf, to be in effect for three years, and a gas transportation rate of \$2.628 to be in effect until changed by the Commission in a future case. To support its request, GreenLight filed a cost of service and rate study for the test year ending December 31, 2009. According to GreenLight, the affected cities and unincorporated areas include 3,255 residential customers and 523 commercial customers.

At the Commission's November 2, 2010 open meeting, the Examiners proposed and the Commission signed a SUSPENSION ORDER, suspending the rates proposed by GreenLight for 150 days from the date the rates would otherwise go into effect, as described in Texas Utilities Code Sec.

¹ *Revised Statement of Intent*, Attachment A, p. 1, October 13, 2011

104.107(a)(2). With the Commission's suspension, the jurisdictional deadline in this docket was extended to April 30, 2011.

On November 17, 2011, the Examiners requested, via Examiners' Letter No. 1, that GreenLight respond to certain discovery questions by December 2, 2010. On December 2, 2010, GreenLight provided the requested information.

On March 1, 2011, GreenLight filed a revised tariff clarifying certain terms and conditions, primarily, making explicit that the company may collect up to \$43,524 in rate case expenses over 36 months through the application of the rate case expense surcharge. GreenLight also filed publishers' affidavits documenting the required publication of notice, per Texas Utilities Code Sec. 104.103(a).

No hearing was held. The Commission is required to hold a rate hearing if there is a complaint by an affected person [Texas Utilities Code Sec. 104.105(a)] or if a utility proposes a rate increase that is a major change [Sec. 104.105(b)]. The Examiners did not receive a complaint by an affected person. Moreover, the rate increase proposed by the company was not a major change.² Thus, no hearing was required to be held.

On March 31, 2011, the Examiners distributed a *Proposal For Decision* and a proposed *Final Order*.

III. NOTICE

As required by Texas Utilities Code Sec. 104.103(a), GreenLight caused notice of the proposed transportation rate increase and the proposed rate case expense surcharge to be published for four consecutive weeks in newspapers of general circulation in each of the five affected counties, including Childress, Collingsworth, Cottle, Donley and Hall counties. On March 1, 2011, GreenLight filed publishers' affidavits demonstrating that notice was published in accordance with the Code.

IV. JURISDICTION

The Commission has exclusive original jurisdiction over matters presented in this docket, pursuant to Texas Utilities Code Sec. 102.001(a)(2).

V. RATE BASE

To support its *Revised Statement of Intent*, GreenLight filed a Revised Report of Cost of

² If the rate increase proposed by the company were expected to result in an aggregate increase in revenue of \$100,000 or 2.5%, whichever is greater, the rate increase would qualify as a major change. In this case, the greater threshold is \$100,000. Hearings Examiner John Chakales determined that the proposed transportation rate would result in an aggregate increase in revenue of about \$65,136 (*Revised Statement of Intent*, Schedules 7.1 and 8.1), an amount lower than the \$100,000 threshold for a major change.

Service and Rate Study authored by Donald A. Murry, Ph.D. and Michael K. Knapp, Ph.D.³ In their analysis, Drs. Murry and Knapp relied primarily upon data included in GreenLight's Annual Report filed with the Commission for the year ending December 31, 2009.⁴

As summarized on the attachment to this Proposal for Decision, GreenLight's test year rate base is \$1,732,469, including original plant investment, accumulated depreciation, allocated general plant, and working capital.

GreenLight has both distribution operations and pipeline transmission operations; thus, it is necessary for the company to allocate its plant investment between these operations for rate design purposes. The company developed allocation factors based upon the net plant value of each system to total plant, resulting in an allocation of 55.81% to the pipeline transmission system and 44.19% to the distribution system. The 55.81% factor results in an allocation of \$2,468,112 (55.81%) of plant investment and an allocation of -\$881,258 (55.81%) of accumulated depreciation to the pipeline transmission system, as shown in the *Revised Statement of Intent*, Attachment A, Schedule 2.2. The company used this same factor to allocate \$79,581 (55.81%) of general plant costs to the pipeline transmission system, as shown in the *Revised Statement of Intent*, Attachment A, Schedule 2.3. GreenLight calculated working capital of \$66,034 at 12.5% of total operating expenses, as shown in the *Revised Statement of Intent*, Attachment A, Schedule 2.4.

VI. RATE OF RETURN

As summarized on the attachment to this Proposal for Decision, GreenLight's revenue requirement includes a return on rate base of \$138,623 which is calculated at a weighted average cost of capital of 8 percent. GreenLight proposes that an 8% return be used, for rate design purposes, to acquire and improve its gas distribution and transmission systems. GreenLight's 8% weighted average cost of capital was based upon a capital structure of 55.14% owner's equity and 44.86% debt, as shown below.

GreenLight Gas – Proposed Weighted Average Cost of Capital

Capital Cost	Weight	Cost	Weighted Average
Long-term debt	44.86%	6.77%	3.04%
Owners equity	55.14%	9%	4.96%
Rate of return			8.00%

Source: *Revised Statement of Intent*, Attachment A, Schedule 3.1

VII. TOTAL COST OF SERVICE

As summarized in the attachment to this Proposal for Decision, the total cost of service for GreenLight's transmission system is \$844,176. The total cost of service includes \$150,599 for

³ In GreenLight's last rate case at the Commission in 2005, Gas Utilities Docket No. 9587, GreenLight employed the same experts to support that Statement of Intent.

⁴ *Revised Statement of Intent*, Attachment A, p.1, October 13, 2011

depreciation expense, \$221,767 for administrative and general expenses, \$26,681 for taxes other than income taxes, \$306,506 for operations and maintenance expense, and a return on rate base of \$138,623. The company's estimated rate case expenses and the cost of gas were appropriately excluded from the total cost of service calculation, as shown in the Revised Statement of Intent, Attachment A, Schedule 1.1.

VIII. REVENUE DEFICIENCY AND PROPOSED TRANSPORTATION RATE

GreenLight calculated an annual revenue deficiency of \$65,136, as shown on the attachment to this Proposal for Decision. The revenue deficiency of \$65,136 was obtained by subtracting the revenue received through the application of current transportation rates, \$756,453, and current irrigation rates, \$22,587, from the total cost of service for the test year, \$844,176.⁵ To recover the revenue deficiency, GreenLight proposes the currently effective citygate transportation rate of \$2.42 per Mcf be increased by \$.208 to \$2.628 per Mcf.

GreenLight based its rate calculation upon normalized annual sales volumes of 312,584 Mcf. Thus, if the \$65,136 revenue deficiency is divided by 312,584 Mcf, the result is a rate increase of \$.208 per Mcf. GreenLight appropriately excluded irrigation customer revenues and volumes from the citygate transportation rate calculation.

IX. REGULATORY EXPENSES AND PROPOSED SURCHARGE

GreenLight estimates that it will, upon completion of this docket, incur \$62,943 of regulatory, legal and consulting expenses, of which \$43,524 the company proposes to recover through a \$.046 per Mcf rate case expense surcharge on transportation volumes.⁶ GreenLight proposes that the rate case expense surcharge be applied for up to three years from the date of the Final Order, not to exceed recovery of regulatory expenses of \$43,524.

X. TARIFFS

On March 1, 2011, GreenLight filed a revised tariff reflecting rates, terms, and conditions proposed by the company. The revised tariff includes the proposed citygate transportation rate of \$2.628 per Mcf and the rate case expense surcharge of \$.046 per Mcf. The tariff limits the application of the rate case expense surcharge to 36 months not to exceed \$43,524. In addition, the tariff identifies each citygate and environs area affected by the proposed tariff.

5 *Revised Statement of Intent*, Attachment A, Schedule 7.1, October 13, 2011

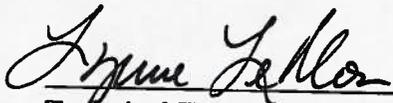
6 *Revised Statement of Intent*, Attachment A, Schedule 8.1, October 13, 2011

XI. EXAMINERS' RECOMMENDATION

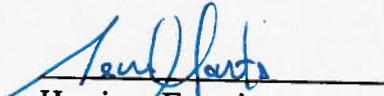
The examiners reviewed GreenLight's *Revised Statement of Intent* and GreenLight's responses to the examiners' discovery. The examiners are of the opinion that GreenLight's *Revised Statement of Intent* comports with the requirements in Texas Utilities Code Sec. 104.102(c) and Texas Administrative Code Sec. 7.501, relating to Certain Matters to be Submitted in Rate Hearings.

The examiners have prepared for the Commission's consideration a proposed Final Order. GreenLight's proposed tariff is attached to the proposed Final Order. The examiners recommend the Commission adopt the proposed Final Order approving GreenLight's proposed tariff, including the rates, terms and conditions proposed by the company.

Respectfully submitted,



Technical Examiner
Lynne LeMon



Hearings Examiner
Gene Montes

DOCKET NO. 10020

RATE BASE AND REVENUE REQUIREMENT SUMMARY

Test year ending December 31, 2009

RATE BASE*

ORIGINAL PLANT INVESTMENT (A) \$ 2,468,112 X DEPRECIATION RATES = \$ 150,599 (G) DEPRECIATION AND AMORT EXPENSE

MINUS: ACCUMULATED DEPRECIATION (B) \$ (881,258)

NET PLANT IN SERVICE (A + B = C) \$ 1,586,854

PLUS: ALLOCATED GENERAL PLANT (D) \$ 79,581

PLUS: WORKING CAPITAL (E) \$ 66,034

EQUALS: RATE BASE (C + D + E = F) \$ 1,732,469 X RATE OF RETURN OF 8% = \$ 138,623 (K) PLUS: RETURN

=

\$ 844,176 (L) EQUALS: TOTAL COST OF SERVICE

\$ (756,453) (M) LESS: REVENUE FROM CURRENT TRANS RATES

\$ (22,587) (N) LESS: REVENUE FROM IRRIGATION CUSTOMERS

\$ 65,136 (N) EQUALS: REVENUE DEFICIENCY

*Source: Revised Statement of Intent, Schedule 2.1

**Source: Revised Statement of Intent, Schedules 1.1, 7.1, and 8.1

RAILROAD COMMISSION OF TEXAS

STATEMENT OF INTENT FILED BY GREENLIGHT GAS TO CHANGE THE TRANSPORTATION RATE FOR VARIOUS CITIES AND UNINCORPORATED AREAS	§ § § § §	GAS UTILITIES DOCKET NO. 10020
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FINAL ORDER

Notice of open meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, et seq. (Vernon 1994 & Supp. 2010). The Railroad Commission adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. GreenLight Gas ("GreenLight") is a gas utility as that term is defined in the Texas Utilities Code.
2. GreenLight owns and operates a natural gas pipeline system that transports gas to the following cities and to unincorporated areas near these cities: Clarendon, Dodson, Dozier, Estelline, Hedley, Lakeview, Lelia Lake, Lutie, Memphis, Newlin, Paducah, Samnorwood and Wellington.
3. On September 30, 2010, GreenLight filed a *Statement of Intent* to increase its natural gas transportation rate. On October 13, 2010, GreenLight filed a *Revised Statement of Intent* to increase its natural gas transportation rate and to establish a rate case expense surcharge.
4. On November 2, 2010 the Railroad Commission of Texas ("Commission") suspended implementation of the proposed rates for up to 150 days from the date the rates would otherwise go into effect, as authorized by Texas Utilities Code §104.107(a)(2).
5. On March 1, 2011, GreenLight filed with the Commission a revised tariff, clarifying terms and conditions applicable to the proposed rates.
6. Judicial notice is hereby taken of the file in this proceeding.

Notice

7. On March 1, 2011, GreenLight filed publishers' affidavits demonstrating that notice of the proposed transportation rate and the proposed rate case expense surcharge was published for four consecutive weeks in newspapers of general circulation, in accordance with the requirements in Texas Utilities Code §104.103(a).
8. According to the publishers' affidavits, GreenLight completed four weeks of published notice on November 9, 2010.

Protests, complaints, motions to intervene

9. The affected cities and unincorporated areas include approximately 3,255 residential customers and 523 commercial customers.
10. No affected city or unincorporated area filed a protest against or a complaint about GreenLight's original *Statement of Intent* or its *Revised Statement of Intent* to increase rates.
11. No affected city or unincorporated area filed a motion to intervene in Gas Utilities Docket No. 10020.

Hearing

12. The Commission is required to hold a rate hearing if there is a complaint by an affected person [Texas Utilities Code §104.105(a)] or if a utility proposes a rate increase that is a major change [§104.105(b)].
13. No complaints were filed.
14. The rate increase proposed by the company is not a major change, as that term is defined in Texas Utilities Code §104.101.
15. No hearing was required to be held and, thus, no hearing was held.

Rate base

16. The test year in this case was the twelve months ending December 31, 2009.
17. GreenLight valued its test year rate base at \$1,732,469, including original plant investment, accumulated depreciation, allocated general plant, and working capital.
18. GreenLight has both pipeline transportation operations and distribution operations. The company allocated 55.81% of its plant investment and accumulated depreciation to the pipeline transportation system that is the subject of this case. The company allocated 44.19%

of its plant investment and accumulated depreciation to the distribution system.

19. GreenLight based its allocation of plant investment and accumulated depreciation on the net plant investment in each system compared to the total plant investment.

Rate of return

20. GreenLight's revenue requirement includes an 8% return on rate base of \$138,623.
21. The 8% rate of return reflects GreenLight's weighted average cost of capital.
22. GreenLight's weighted average cost of capital is based upon a capital structure of 55.14% owners' equity and 44.86% debt.

Total Cost of Service

23. GreenLight's total cost of service during the test year was \$844,176.
24. The total cost of service includes \$150,599 for depreciation expense, \$221,767 for administrative and general expenses, \$26,681 for taxes other than income taxes, \$306,506 for operations and maintenance expense, and a return on rate base of \$138,623.
25. The company's estimated rate case expenses and the company's cost of natural gas were appropriately excluded from the total cost of service calculation.

Revenue deficiency and proposed transportation rate

26. Data provided by GreenLight indicate the company has a revenue deficiency of \$65,136.
27. The revenue deficiency of \$65,136 is obtained by subtracting the amount of revenue received through the application of current transportation rates, \$756,453, and current irrigation rates, \$22,587, from the total cost of service for the test year, \$844,176.
28. To recover the revenue deficiency, GreenLight proposes the currently effective citygate transportation rate of \$2.42 per Mcf be increased by \$.208 to \$2.628 per Mcf.
29. GreenLight based its rate calculation upon normalized annual sales volumes of 312,584 Mcf.
30. If the \$65,136 revenue deficiency is divided by 312,584 Mcf, the result is a rate increase of \$.208 per Mcf.
31. GreenLight appropriately excluded irrigation customer revenues and volumes from the citygate transportation rate calculation.

Regulatory expenses and proposed surcharge

32. GreenLight proposes to recover \$43,524 of regulatory, legal and consulting expenses related to this docket through a \$.046 per Mcf rate case expense surcharge applied to transportation volumes.
33. GreenLight proposes that the \$.046 per Mcf rate case expense surcharge be applied for up to three years from the date of the Final Order, not to exceed \$43,524.

CONCLUSIONS OF LAW

1. GreenLight Gas is a "gas utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2010) and §121.001(2010) and is, therefore, subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over GreenLight Gas and its *Revised Statement of Intent* under TEX. UTIL. CODE ANN. §§121.001, 103.022, 103.054, 103.055, 104.001, 104.201 (Vernon 2007).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2010), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. In accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 2010), the Commission has ensured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utility.
5. TEX. UTIL. CODE ANN. §104.107 (Vernon 2010) provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
6. In accordance with TEX. UTIL. CODE §104.103 (Vernon 2010), 16 Tex. Admin. Code Ann. §7.230 (2010), and 16 Tex. Admin. Code Ann. §7.235 (2010), adequate notice was properly provided.
7. In accordance with the provisions of TEX. UTIL. CODE ANN. §104.102 (Vernon 2007 and Supp. 2010), 16 Tex. Admin. Code Ann. §7.205 (2010), and 16 Tex. Admin. Code Ann. §7.210 (2010), GreenLight Gas filed its *Revised Statement of Intent*.
8. GreenLight Gas met its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. §104.008 (Vernon 2010).

9. The rates proposed by GreenLight Gas comport with TEX. UTIL. CODE ANN. §104.003 (Vernon 2010).
10. The overall revenues proposed by GreenLight Gas comport with TEX. UTIL. CODE ANN. §104.051 (Vernon 2010).
11. The overall rate of return proposed by GreenLight Gas comports with TEX. UTIL. CODE ANN. §104.052 (Vernon 2010).
12. GreenLight Gas is required by 16 Tex. Admin. Code Ann. §7.315 (2010) to file electronic tariffs incorporating rates consistent with this Final Order within thirty days of the date of this Order.

IT IS THEREFORE ORDERED that the tariff proposed by GreenLight Gas, as attached to this Final Order, is hereby approved.

IT IS FURTHER ORDERED that GreenLight Gas shall electronically file the attached tariff with the Gas Services Division, within 30 days of the date of this Final Order. The electronic tariff shall incorporate the rates, terms and conditions shown on the tariff attached to the Final Order.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Final Order are hereby **DENIED**.

IT IS ALSO ORDERED that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

This Final Order will not be final and effective until 20 days after GreenLight Gas is notified of the Commission's Final Order. A party is presumed to have been notified of the Commission's Final Order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this Final Order shall not become final and effective until such motion is overruled or, if such motion is granted, this Final Order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the Final Order is served on the parties.

SIGNED this 19th day of April, 2011.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN, ELIZABETH A. JONES

DAVID PORTER, COMMISSIONER

ATTEST:

SECRETARY

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION
NATURAL GAS TARIFF
TRANSPORTATION & EXCHANGE SERVICE OR RATES**

Form GSD-2

COMPANY
CONTRACT # _____
RRC TARIFF # proposed

CO ID # 5971
P-5 # 331537

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING.

1. COMPANY NAME: GreenLight Gas		2. CUSTOMER NAME: (OR) See Sheet 2 Tab for list of Customers		3. CUSTOMER IDENTIFICATION #: See Sheet 2 Tab		4. CONFIDENTIAL? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
5. CONTRACT CUSTOMER TYPE: <input type="checkbox"/> PRODUCER <input type="checkbox"/> GATHERER <input type="checkbox"/> MARKETER <input type="checkbox"/> LOCAL DISTRIBUTION <input checked="" type="checkbox"/> TRANSMISSION <input type="checkbox"/> END USER <input type="checkbox"/> OTHER (EXPLAIN) _____							
6. TYPE OF SERVICE PROVIDED: <input checked="" type="checkbox"/> TRANSPORTATION <input type="checkbox"/> EXCHANGE <input type="checkbox"/> GATHERING <input type="checkbox"/> UNDERGROUND STORAGE <input type="checkbox"/> COMPRESSION <input type="checkbox"/> OTHER (EXPLAIN) _____							
7. DATE OF ORIGINAL CONTRACT: (OR)				8. DATE OF INITIAL SERVICE: 4/30/2011		9. DATE OF CONTRACT AMENDMENT:	
10. REASON FOR FILING: <input checked="" type="checkbox"/> NEW <input checked="" type="checkbox"/> RRC DOCKET NO. <u>10020</u> <input type="checkbox"/> CITY ORDINANCE NO. _____ <input type="checkbox"/> AMENDMENT (EXPLAIN) _____							
<input type="checkbox"/> OTHER (EXPLAIN) _____							

11. If this tariff is a rate subject to the provisions of Tex. Util Code, Section 104.003(b) complete the following:
 [Direct sales for resale to a gas distribution utility at a city gate are excluded from this provision.]
 Check the facts supporting the applicability of Section 104.003(b):
 Neither the gas utility nor the customer had an unfair advantage during the negotiations. NOTE: If the parties are affiliated, check here:
 [This fact cannot be used to support a Section 104.003(b) transaction if the rate to be charged or offered to be charged is to an affiliated pipeline utility.]
 The rate is substantially the same as the rate between the gas utility and at least two of those customers under the same or similar conditions of service.
 Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.
 I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

Signature _____

12. NAME OF PERSON PREPARING THIS TARIFF: Lori Cartmill		ADDRESS: 116 S. 6th St					
TITLE: Office Manager							
AREA CODE / PHONE NUMBER: (808) 259-1444 (EXT)		CITY: Memphis		STATE: TX		ZIP: SUFFIX: 79245	
EMAIL ADDRESS: lorcartmill@amaonline.com							

13. CURRENT RATE COMPONENTS: Rate: \$2.628 per Mcf. LUG: All expenses for lost and unaccounted for gas in excess of 3.0 percent shall be disallowed consistent with TEX. ADMIN. CODE 7.552. Rate Case Surcharge: The company will impose a \$0.046 per Mcf surcharge on all applicable Mcf's billed over a thirty-six month period to recover actual rate case expenses incurred in GUD 10020, not to exceed \$43,524.				14. RATE ADJUSTMENT PROVISION:			
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15. DELIVERY POINT <input type="checkbox"/> RECEIPT POINT <input checked="" type="checkbox"/>							
IDENTIFICATION NO.: 01		CURRENT CHARGE: \$2.628 PER Mcf		EFFECTIVE DATE OF CURRENT CHARGE: 04/30/11		CONFIDENTIAL: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
DELIVERY POINT/RECEIPT POINT DESCRIPTION: Donley							
DELIVERY POINT <input type="checkbox"/> RECEIPT POINT <input checked="" type="checkbox"/>							
IDENTIFICATION NO.: 02		CURRENT CHARGE: \$2.628 PER Mcf		EFFECTIVE DATE OF CURRENT CHARGE: 04/30/11		CONFIDENTIAL: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
DELIVERY POINT/RECEIPT POINT DESCRIPTION: Collingsworth							
DELIVERY POINT <input type="checkbox"/> RECEIPT POINT <input checked="" type="checkbox"/>							
IDENTIFICATION NO.: 03		CURRENT CHARGE: \$2.628 PER Mcf		EFFECTIVE DATE OF CURRENT CHARGE: 04/30/11		CONFIDENTIAL: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
DELIVERY POINT/RECEIPT POINT DESCRIPTION: Hall							
DELIVERY POINT <input type="checkbox"/> RECEIPT POINT <input checked="" type="checkbox"/>							
IDENTIFICATION NO.: 04		CURRENT CHARGE: \$2.628 PER Mcf		EFFECTIVE DATE OF CURRENT CHARGE: 04/30/11		CONFIDENTIAL: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
DELIVERY POINT/RECEIPT POINT DESCRIPTION: Cottle							

3/30/2011

Sheet2 Customers

Customer ID	Name
01	Clarendon
02	Clarendon Env
03	Dodson
04	Dodson Env
05	Dozier
06	Estelline
07	Estelline Env
08	Hedley
09	Hedley Env
10	Lakeview
11	Lakeview Env
12	Lelia Lake
13	Lelia Lake Env
14	Lutie
15	Memphis
16	Memphis Env
17	Newlin
18	Newlin Env
19	Paducah
20	Paducah Env
21	Samnorwood
22	Sanmorwood Env
23	Wellington
24	Wellington Env

SERVICE LIST
Gas Utilities Docket No. 10020
Statement of Intent Filed by Greenlight Gas to Change its
Gas Transportation Rate for the following Cities and Nearby
Unincorporated Areas of Clarendon, Dodson, Dozier,
Estelline, Hedley, Lakeview, Lelia Lake, Lutie, Memphis,
Newlin, Paducha, Samnorwood and Wellington
Examiner: John Chakales
Co Examiner: Lynne Le Mon

PARTIES

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