

**RAILROAD COMMISSION OF TEXAS**  
**OVERSIGHT AND SAFETY DIVISION**

**GAS UTILITIES**  
**INFORMATION BULLETIN**

**No. 1059**



**Christi Craddick, Chairman**  
**Ryan Sitton, Commissioner**  
**Wayne Christian, Commissioner**

**Kari French**  
**Director**  
**Oversight and Safety Division**

**May 12, 2017**

**TABLE OF CONTENTS**

<u>SECTION</u>	<u>PAGE</u>
SECTION 1 - NEW APPEALS AND APPLICATIONS FILED .....	2
SECTION 2 - APPEALS AND APPLICATIONS SET FOR HEARING .....	3-5
SECTION 3 - STATUS OF PENDING CASES .....	5
SECTION 4 - NOTICES OF DISMISSAL .....	5
SECTION 5 - ORDERS OF THE COMMISSION .....	5
SECTION 6 - MISCELLANEOUS .....	5-7

**SECTION 1**

**NEW APPEALS AND APPLICATIONS FILED**

**DOCKET NO.** -- **10632**  
**CAPTION** -- Inquiry Into the Failure of Enterprise Crude Pipeline LLC to Comply With Safety Standards.  
**DATE FILED** -- 05/10/2017  
**FILED BY** -- Commission's Own Motion  
**EXAMINER** --  
**TECHNICAL** --

**DOCKET NO.** -- **10633**  
**CAPTION** -- Rate Case Expenses Severed from GUD No. 10622, Statement of Intent Filed by LDC, LLC, to Change Rates in the Environs of the City of Montgomery, Texas.  
**DATE FILED** -- 05/10/2017  
**FILED BY** -- Commission's Own Motion  
**EXAMINER** --  
**TECHNICAL** --

**DOCKET NO.** -- **10634**  
**CAPTION** -- Appeal of Onalaska Water & Gas Supply from the Actions of the City of Onalaska, Texas.  
**DATE FILED** -- 05/11/2017  
**FILED BY** -- Karl J. Nalepa  
**EXAMINER** -- Dana Lewis  
**TECHNICAL** -- James Currier

May 12, 2017

## 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

COMPLAINT OF FAIRWAY ENERGY	§	
PARTNERS, LLC (FAIRWAY), AGAINST	§	GAS UTILITIES DOCKET
MAGELLAN CRUDE OIL PIPELINE	§	NO. 10507
COMPANY, LP (MAGELLAN)	§	

SECOND AMENDED NOTICE OF HEARING

**Summary of the Proceeding and Factual Matters Asserted.** On March 24, 2016, Fairway Energy Partners, LLC (“Fairway”) filed a formal complaint against Magellan Pipeline Company, LP (“Magellan”) with the Railroad Commission of Texas (the “Commission”). Fairway alleges that Magellan refused to grant interconnection of its pipeline system to Fairway’s facilities, and that this refusal violates Magellan’s duties under the Common Carrier Act. In its original complaint, Fairway identified and alleged three separate statutory grounds for interconnection: Common Carrier Act Sections 111.015 (Transportation Without Discrimination), 111.016 (Discrimination Between Shippers), and 111.137 (Enlargement and Extension of Facilities).

On September 1, 2016, the Administrative Law Judge (“ALJ”) dismissed Fairway’s claims under Sections 111.015 and 111.016. On September 12, 2016, Fairway timely appealed this interim ruling. On October 28, 2016, Fairway’s interim appeal was overruled by operation of law. On November 18, 2016, Fairway filed an amended complaint, which added a cause of action under Common Carrier Act Section 111.023 (Exchange of Facilities).

**NOTICE IS HEREBY GIVEN THAT** a public hearing will be held, at the time and place set out below, to consider the following:

1. Whether the Commission should require Magellan<sup>1</sup> to interconnect with Fairway’s facilities at Speed Junction and Genoa Junction;
2. Terms related to such interconnection, if necessary/applicable;
3. The proper construction and application of relevant Texas law; and
4. All other issues that are necessary for the Commission to render a final decision.

<sup>1</sup> Subsequent to Fairway’s original complaint filing, Magellan Crude Oil Pipeline Company, LP, succeeded, by operation of law, to the interests of Magellan Pipeline Company, LP, in the assets that are the subject of this proceeding. In Examiners’ Letter No. 15 (Substitution of Respondent Party), issued January 4, 2017, the ALJ granted Magellan’s unopposed request to substitute Magellan Crude Oil Pipeline Company, LP, as the proper respondent party. The defined term “Magellan” hereafter refers to Magellan Crude Oil Pipeline Company, LP.

***Legal Authority and Jurisdiction.*** The Commission has jurisdiction over Magellan pursuant to Section 81.051 (Jurisdiction of Commission) of the Texas Natural Resources Code. 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.

***Particular Statutes and Rules Involved.*** The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. Chapter 81 (Railroad Commission of Texas) of the Natural Resources Code;
2. Chapter 111 (Common Carriers, Public Utilities, and Common Purchasers) of the Natural Resources Code, including Sections 111.015 (Transportation Without Discrimination) and 111.016 (Discrimination Between Shippers)<sup>2</sup>, Section 111.023 (Exchange of Facilities), and Section 111.137 (Enlargement and Extension of Facilities); and
3. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapter 1 (Practice and Procedure), Chapter 3 (Oil and Gas Division), and/or Chapter 7 (Gas Services Division).

**IT IS DIRECTED** that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the hearing on the merits **SHALL** appear in person or by an attorney.

***Time, Place, and Nature of Hearing.*** **IT IS FURTHER DIRECTED** that the hearing on the merits shall commence at **10:00 a.m. on Monday, June 12, 2017**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, or as otherwise announced, until concluded.

***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 in order 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.

<sup>2</sup> In Examiners' Letter No. 6 (Ruling on Magellan's Motion to Dismiss), issued September 1, 2016, the ALJ dismissed Fairway's claims under Section 111.015 and 111.016. On October 28, 2016, Fairway's interim appeal of this ruling was overruled by operation of law. Commission Rule § 1.30 (Interim Rulings and Appeals of Interim Rulings) provides that Fairway may raise these issues again in exceptions to the proposal for decision.

May 12, 2017

**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.

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John Dodson  
Administrative Law Judge

### SECTION 3

#### STATUS OF PENDING CASES

### SECTION 4

#### NOTICES OF DISMISSAL

None at this time.

### SECTION 5

#### ORDERS OF THE COMMISSION

### 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:

May 12, 2017

<http://www.rrc.texas.gov/gas-services/publications-statistics/2016-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 that the interest rate to be applied to customer deposits in calendar year 2017 is 0.42%. All gas utilities should use 0.11% for the calendar year 2016 and 0.07% for calendar year 2015.

**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

Ed Abrahamson, Director, Utility Audit Section

Pearl Rodriguez, Program Specialist

Telephone (512) 463-7022

Fax (512) 475-3180

Fort Worth - City Hall 13th Street Annex, 401 W. 13<sup>th</sup> St Suite B

Josh Settle, Senior Auditor

Yolandra Davis, Senior Auditor

Telephone (817) 882-8966

Fax (817) 882-8951

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

Houston, TX 77008-3135

Margie Stoney, Project Auditor

Larry Alcorn, Auditor

Dale Francis, Senior Auditor

Konata Uzoma, Senior Auditor

Vonetta Jackson, Auditor

Telephone (713) 869-8425

Fax (713) 869-3219

**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.

**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](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:

Headquarters - William B. Travis Building  
1701 North Congress, P.O. Box 12967, Austin, Texas 78711  
Mark Evarts, Director

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, Yolanda Lovelace, Andrea Matamoros or Virgie Frausto at (512) 463-7167.

**E. Curtailments**

Curtailment questions should be referred to (512) 463-7167 or by email at [naturalgascurtailment@rrc.texas.gov](mailto: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](mailto: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](mailto:gascomplaints@rrc.texas.gov).

**H. Pending RRC Rules and Regulations:****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.