

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF TRANS-PECOS	§	
PIPELINE, LLC PURSUANT TO NGPA	§	GAS UTILITIES DOCKET NO. 10646
§ 311 FOR REVIEW OF THE	§	
REASONABLENESS OF A	§	
TRANSPORTATION RATE	§	

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 Chapter 551 (Open Meetings) of the Texas Government Code. The Railroad Commission of Texas (“Commission”) adopts the following findings of fact, conclusions of law, and orders as follows:

FINDINGS OF FACT

1. Trans-Pecos Pipeline, LLC (“Trans-Pecos” or “Applicant”) owns and operates an intrastate natural gas pipeline within the State of Texas.
2. On July 19, 2017, Trans-Pecos filed with the Commission an application for review of the reasonableness of transportation rates under Section 311 of the NGPA.
3. On September 11, 2017, Trans-Pecos filed direct testimony and accompanying schedules supporting the application. On February 13, 2018, Trans-Pecos filed supplemental testimony updating the cost of service to reflect the reduction in the federal income tax rate under the Tax Cut and Jobs Act.
4. Applicant does not seek to change or modify any existing intrastate rates.
5. Due notice of this proceeding was served on all persons for whom Applicant performs § 311(a)(2) transportation services.
6. This docket was processed informally without an evidentiary hearing. No motion to intervene or statement of protest was filed.
7. Trans-Pecos has shown that a volumetric rate for interruptible transportation of \$0.28 per MMBtu plus retention of a proportionate share of actual system fuel and losses is fair and equitable and not in excess of a cost-based rate.

8. Applicant has shown that a firm transportation rate consisting of a daily demand charge of \$0.21 per MMBtu, a usage rate of \$0.07 per MMBtu, plus retention of a proportionate share of actual system fuel and losses is fair and equitable and not in excess of a cost-based rate.
9. Applicant has shown that the rates for “park and loan” service of \$0.28 per MMBtu and “authorized overrun” service of \$0.28 per MMBtu, plus retention of a proportionate share of actual system fuel and losses, are fair and equitable and not in excess of a cost-based rate.

CONCLUSIONS OF LAW

1. Trans-Pecos is an intrastate “gas utility” under GURA § 101.003 (Definitions).
2. Applicant transports natural gas on behalf of others pursuant to § 311(a)(2) of the Natural Gas Policy Act of 1978, 15 U.S.C. § 3371, *et seq.*, and 18 C.F.R. 284.121-126 (2017).
3. The application is properly before the Commission pursuant to 15 U.S.C. § 3371, *et seq.*, and TEX. UTIL. CODE ANN. § 121.151 (West 2007 & Supp. 2016).
4. A volumetric rate for interruptible transportation of \$0.28 per MMBtu plus retention of a proportionate share of actual system fuel and losses is fair and equitable and not in excess of a cost-based rate.
5. A firm transportation rate consisting of a daily demand charge of \$0.21 per MMBtu, a usage rate of \$0.07 per MMBtu, plus retention of a proportionate share of actual system fuel and losses is fair and equitable and not in excess of a cost-based rate.
6. The rates for “park and loan” service of \$0.28 per MMBtu and “authorized overrun” service of \$0.28 per MMBtu, plus retention of a proportionate share of actual system fuel and losses are fair and equitable and not in excess of a cost-based rate.

THE RAILROAD COMMISSION OF TEXAS hereby finds that a volumetric rate of \$0.28 per MMBtu plus retention of a proportionate share of actual system fuel and losses for interruptible transportation service by Trans-Pecos Pipeline, LLC is fair and equitable and not in excess of a cost-based rate.

THE RAILROAD COMMISSION OF TEXAS hereby finds that a firm transportation rate consisting of a daily demand charge of \$0.21 per MMBtu, a usage rate of \$0.07 per MMBtu, plus retention of a proportionate share of actual system fuel and losses is fair and equitable and not in excess of a cost-based rate.

THE RAILROAD COMMISSION OF TEXAS hereby finds that the rates for “park and loan” service of \$0.28 per MMBtu and “authorized overrun” service of \$0.28 per MMBtu, plus retention of a proportionate share of actual system fuel, and losses are fair and equitable and not in excess of a cost-based rate.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted herein are DENIED.

SIGNED this 24th day of April, 2018.

RAILROAD COMMISSION OF TEXAS

Christi Craddick
CHRISTI CRADDICK, CHAIRMAN

Ryan Sitton
RYAN SITTON, COMMISSIONER

Wayne Christian
WAYNE CHRISTIAN, COMMISSIONER

ATTEST:

Kathy Way
SECRETARY