WAYNE CHRISTIAN, CHAIRMAN CHRISTI CRADDICK, COMMISSIONER RYAN SITTON, COMMISSIONER



RAILROAD COMMISSION OF TEXAS **HEARINGS DIVISION**

March 24, 2020

TO:

County Judges

RE:

GUD No. 10928, Statement of Intent of Texas Gas Services Company, a Division of ONE Gas, Inc. ("TGS") to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area

Enclosed is the Notice of Hearing for the above-referenced gas utility docket at the Railroad Commission of Texas. This Notice of Hearing was issued on March 12, 2020, and is being provided to you, as the governing body of an affected county, in accordance with the Texas Utilities Code.1

Sincerely.



Dee Marlo Chico Administrative Law Judge

Enclosure

CC: County Judges and Mayors Service List

MAR 26 2020

¹ See Tex. Util. Code § 104.105(c) ("The regulatory body shall give reasonable notice of the hearing, including notice to the governing body of each affected municipality and county.").

Service List for County Judges for Each County in the Proposed Central-Gulf Service Area

GUD No. 10920, consolidated

Statement of Intent filed by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas, to Increase Rates in the Beaumont/East Texas Division

Administrative Law Judge: Dee Marlo Chico Technical Examiners: Rose Ruiz and James Currier

Travis County

Judge Sarah Eckhardt Travis County Administration Building 700 Lavaca Street, Rm. 2.300 Austin, TX 78701 Phone: 512-854-9555

Williamson County

Judge Bill Gravell Jr.
Williamson County Courthouse
710 S. Main Street, Ste. 101
Georgetown, TX 78626
Phone: 512-943-1550

Hays County

Judge Ruben Becerra Hays County Courthouse 111 E. San Antonio St. Ste. 300 San Marcos, TX 78666 Phone: 512-393-2205

Dewitt County

Judge Daryl L. Fowler 307 N. Gonzales Street Cuero, Texas 77954 Phone: 361-275-0916

Gonzales County

Judge Patrick C. Davis Gonzales County Courthouse 414 St. Joseph Street, Suite 200 Gonzales, TX 78629 Phone: 830-672-2327

Wilson County

Judge Richard L. Jackson Wilson County Courthouse 1420 3rd St., Ste. 101 Floresville, TX 78114 Phone: 830-393-7303

Caldwell County

Judge Hoppy Haden Caldwell County Courthouse 110 S. Main Street, Room 201 Lockhart, TX 78644 Phone: 512-398-1809

Lavaca County

Judge Tramer J. Woytek Lavaca County Courthouse 109 N. La Grange Hallettsville, TX 77964 Phone: 361-798-2301

Galveston County

Judge Mark Henry Galveston County Courthouse 722 Moody, Suite 200 Galveston, TX 77550 Phone: 409-766-2244

Jefferson County

Judge Jeff Branick Jefferson County Courthouse 1149 Pearl Street Beaumont, TX 77701 Phone: 409-835-8466

I, David Cornett, certify that on March 24, 2020, a true and correct copy of the Notice to Hearing and the cover letter to the governing bodies of affected counties in the proposed Central-Gulf Service Area has been sent to the County Judges on this Service List by mail to their addresses listed above.

Signed on March 24, 2020

David Cornett, Legal Assistant Hearings Division

Railroad Commission of Texas

16 TEX. ADMIN. CODE § 1.7 (Ex Parte Communications):

- (a) Ex parte communications are prohibited in contested cases as provided in the APA and other applicable rules including the Texas Disciplinary Rules of Professional Conduct.
- (b) Each party shall provide all other parties with a copy of all documents submitted to an examiner.
 - (1) The attachment of a certificate of service stating that a document was served on a party creates a rebuttable presumption that the named party was provided a copy.
 - (2) Failure to provide a copy to all other parties may result in rejection and return of the document without consideration.

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

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STATEMENT OF INTENT OF TEXAS
GAS SERVICES COMPANY, A
DIVISION OF ONE GAS, INC. TO
CHANGE GAS UTILITY RATES WITHIN
THE UNINCORPORATED AREAS OF
THE CENTRAL TEXAS SERVICE AREA
AND GULF COAST SERVICE AREA

GAS UTILITIES DOCKET

NO. 10928

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On December 20, 2019, Texas Gas Service Company, a Division of ONE Gas, Inc. ("TGS"), filed with the Commission a statement of intent to change gas utility rates within the unincorporated/environs areas of the Central Texas Service Area ("CTSA") and Gulf Coast Service Area ("GCSA") and to consolidate the CTSA, GCSA, and the City of Beaumont into a new service area called the Central-Gulf Service Area ("CGSA"). The SOI was docketed as GUD No. 10928. As part of its rate filing, TGS's request includes that the Commission: (1) establish new rates for the proposed CGSA consistent with its proposed rate schedules and tariffs; (2) approve the consolidation of the existing CTSA. GCSA, and City of Beaumont to create the CGSA; (3) approve new depreciation rates; (4) approve the prudence of capital investment made in the proposed CGSA made through December 31, 2019; (5) find that the acquisition of ONEOK Transmission Company is consistent with the public interest; (6) find the approvals of the administrative orders by the Commission's Accounting Order in GUD No. 10695 are reasonable and accurate; (7) approve the form of notice pursuant to proposed Rate Schedule Pipeline Integrity Testing Surcharge Rider; and (8) grant TGS any further relief to which it may be entitled.

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

On January 14, 2020, 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.

On January 27, 2020, the issue of rate cases expense recovery was severed and docketed as GUD No. 10938.

Intervening Parties. Intervenors in this case include Staff of the Railroad Commission of Texas ("Staff"), TGS CTSA Cities and TGS CGSA Cities, and the Gulf Coast Service Area Steering Committee.

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:

- 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 **9:30 a.m. on Wednesday, April 15, 2020**, 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).

Written Transcript of the Hearing. The record of the hearing will be made by recording device or by stenographic transcription by the court reporter. Any party that desires a written transcription 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.

Signed on March 12, 2020

DEE MARLO CHICO ADMINISTRATIVE LAW JUDGE