

STATEMENT OF INTENT FILED BY COSERV GAS TO INCREASE THE RATES IN THE UNINCORPORATED AREAS OF ARGYLE (DENTON COUNTY), CASTLE HILLS (DENTON COUNTY), ET AL.

APPEARANCES:

FOR APPLICANT:

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PROPOSAL FOR DECISION

PROCEDURAL HISTORY:

INITIAL STATEMENT OF INTENT FILING:	February 1, 2006
PROPOSED EFFECTIVE DATE:	March 8, 2006
TECHNICAL CONFERENCE:	March 21, 2006
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EXAMINERS:	Michelle Lingo, Hearings Examiner Danny Bivens, Technical Examiner
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STATUTORY DEADLINE:	January 7, 2006
CURRENT STATUS:	Contested Case, Unprotested

STATEMENT OF THE CASE

CoServ Gas Ltd. (CoServ) is a natural gas utility company that provides distribution service in the Dallas Metroplex to approximately 38,637 customers (approximately 35,219 municipal; 3,418 environs).

On August 25, 2004, CoServ filed Statements of Intent to increase rates within the city limits of each municipality for which it provides utility service. CoServ settled with the majority of those municipalities. On February 1, 2006, CoServ filed a Statement of Intent with the Commission to change the rates of its residential and commercial environs customers, including schools and public authorities.

CoServ provided company-wide information and proposed uniform rates for each customer class within all areas served by CoServ.

If approved, the proposed changes would:

1. Create uniform rates for each customer class within all areas served by CoServ;
2. Affect approximately 3,500 residential and ten commercial environs customers;
3. Restructure the block rates;
4. Result in an approximate \$34,709 decrease to the company's annual revenues from gas service and an approximate \$13,355 increase in annual revenues from miscellaneous service charges, resulting in an overall annual revenue decrease in the unincorporated areas of approximately \$21,354 (or 2.0%); and
5. Increase by less than 3.0% the rates of residential customers located in the unincorporated areas adjacent to the municipalities of McKinney and Argyle.

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I. Procedural History and Notice

On August 25, 2004, CoServ Gas Ltd.(CoServ) filed Statements of Intent to increase rates for its customers located within the city limits of the twenty-five municipalities for which it provides natural gas distribution utility service. CoServ initially sought increased revenues of \$1,165,525, or a 7.3% increase (inclusive of gas cost).

CoServ reached settlement agreements with twenty-one of twenty-five municipalities, which had joined the Coalition of Cities. The Coalition of Cities settlement provided for an increase in system-wide revenue of \$500,000, of which approximately \$214,000 is associated with increases to the miscellaneous service charges.

The Coalition of Cities did not approve a specific rate base, return, revenue or cost adjustment, or ratemaking methodology.

The four municipalities of Celina, Lucas, Shady Shores, and St. Paul did not join the Coalition of Cities. CoServ implemented rates by operation of law applicable to customers located within those municipalities. On February 1, 2006, CoServ filed a Statement of Intent with the Railroad Commission of Texas (Commission) to change the rates of its residential and commercial environs customers, including schools and public authorities, located in the following environs areas:

- City of Argyle Environs (Denton County)
- City of Frisco Environs (Collin County)
- City of McKinney Environs (Collin County)
- City of Ponder Environs (Denton County)
- City of Prosper Environs (Collin County)
- Subdivision of Castle Hills Environs (Denton County)
- Subdivision of Lantana Environs (Denton County)
- Subdivision of Windmill Farms Environs (Kaufman County)

On February 28, 2006, the Commission suspended CoServ's proposed rates for a period of one hundred fifty (150) days from the date on which the rates would otherwise become effective, under TEX. UTIL. CODE ANN. § 104.107(a)(2) (Vernon 1998 and Supp. 2005).

On March 3, 2006, the Examiners issued their first requests for information (RFI). CoServ provided additional details regarding its Statement of Intent during a technical conference on March 21, 2006. CoServ filed responses to the Examiner's first RFI on May 8, 2006, submitting information to meet minimum statutory filing requirements. On August 3, 2006, the Examiners issued their second requests for information.

CoServ filed responses to the Examiner's second RFI on August 30, 2006. During a September 1, 2006, prehearing Conference, CoServ established its effective date as August 30, 2006. The statutory deadline is January 7, 2006.

Consistent with notice requirements, CoServ published notice on June 2, 9, 16, and 23 in the *Dallas Morning News*. On August 2, 2006, CoServ filed proof of notice of publication, substantially complying with proof of notice requirements.

II. Jurisdiction

As defined under TEX. UTIL. CODE ANN. §101.003 (Vernon 1998 and Supp. 2006), CoServ is a gas utility because it owns and operates for compensation in Texas equipment and facilities to distribute natural gas. The Commission has jurisdiction over CoServ and over the matters at issue in this proceeding pursuant to TEX. UTIL. CODE ANN. §102.001 and §104.001 (Vernon 1998 and Supp. 2005). The statutes and rules involved in this proceeding include but are not limited to TEX. UTIL. CODE ANN., §§104.001, et seq. (Vernon 1998 and Supp. 2006) and 16 TEX. ADMIN. CODE, Chapter 7.

III. Existing Rates

Periodically, CoServ has filed at the Commission its initial rates in accordance with TEX. UTIL. CODE ANN., Chapter 104 and 16 TEX. ADMIN. CODE §7.315. Commission Staff initiated GUD Nos. 9289, 9248-9249, and 9535-9537 to conduct administrative review of the initial rates filed by CoServ. Commission Staff's review of CoServ's initial rates did not include comprehensive cost of service data review for consideration whether the initial rates were just and reasonable or whether the rates provided an opportunity for the utility to earn an adequate return. The Commission's June 25, 2002, Order in GUD 9294 approved CoServ's revenue neutral revisions to its gas cost recovery mechanism to include interest on the over-recovered gas cost and the under-recovered gas cost, thereby allowing for more accurate and timely tracking and reconciliation of the Utility's gas costs.¹ However, this is the first opportunity for review of cost data prepared and submitted by CoServ.

IV. Proposed Changes to Rates

CoServ proposed changes to rates applicable to the environs customers to create uniform rates for each customer class within all areas served by CoServ. CoServ's proposed rate changes will affect approximately 3,500 residential environs customers and ten commercial customers. Upon request of the Examiners, CoServ provided to the Commission the company-wide information that the Utility had filed with its applications to the municipalities. That information was based on a test-year of information ending March 31, 2004. If approved, the Utility's proposed changes will have the following affect on environ customers' rates.

¹ GUD 9248, *General Inquiry into Rates Filed by CoServ Gas for Service to Residential and Commercial Customers in and Adjacent to the Castle Hills Subdivision in Denton County, TX.*, filed September 7, 2001.

GUD 9249, *General Inquiry into Rates Filed by CoServ Gas for Service to Residential and Commercial Customers in and Adjacent to the Lantana Subdivision, Denton County, TX.*, filed September 4, 2001.

GUD 9289, *General Inquiry into Rates Filed by CoServ Gas for Service to Residential and Commercial Customers in and Adjacent to Unincorporated Territory known as the Windmill Farms Subdivision Kaufman County, TX also known as the Kaufman County Development District No. 1*, filed March 18, 2002.

GUD 9294, *Statement of Intent filed by CoServ Gas to Increase Rates in Unincorporated Areas*, filed April 16, 2002, Final Order June 25, 2002.

GUD 9535, *General Inquiry into the Initial Rates for Customers in and Adjacent to the Frisco Environs, Collin and Denton County Texas*, filed October 11, 2004. Docket concluded by Examiner's March 16, 2005, Letter No. 8.

GUD 9536, *General Inquiry into the Initial Rates for Customers in and Adjacent to the Argyle Environs, Denton County Texas*, filed October 11, 2004. Docket concluded by Examiner's March 16, 2005, Letter No. 8.

GUD 9537, *General Inquiry into the Initial Rates for Customers in and Adjacent to the McKinney Environs, Collin County Texas*, filed October 11, 2004.

1. Create uniform rates for each customer class within all areas served by CoServ
 The Coalition of Cities settlement provided for an increase in system-wide revenue of \$500,000, of which approximately \$214,000 is associated with increases to the miscellaneous service charges. CoServ’s proposed change in rates for environs customers will result in an approximate \$34,709 decrease to the company’s annual revenues from gas service.

2. Increase the Utility’s Miscellaneous Service Fees
 CoServ’s proposed Miscellaneous Service Fees will increase the Utility’s annual revenues in the environs area by approximately \$13,335 (44% increase).

3. Overall decrease in environs rates
 The majority of CoServ’s environs customers will experience an overall annual revenue decrease of approximately \$21,354 (or 2.0%). The residential customers in the unincorporated areas adjacent to the municipalities of McKinney and Argyle will experience an overall approximate increase of less than 3.0%.

4. Restructure the block rates, as follows:

<u>Residential Environs Sales</u>	<u>Commercial Environs Sales</u>
Customer Charge : \$9.00 per month, plus	Customer Charge : \$15.50 per month, plus
Volumetric charge:	Volumetric charge:
First 0 to 20 Ccf \$0.19437 per Ccf	First 0 to 300 Ccf \$0.24436 per Ccf
Next 50 Ccf \$0.14437 per Ccf	Next 200 Ccf \$0.19436 per Ccf
All additional Ccf \$0.09437 per Ccf	All additional Ccf \$0.14436 per Ccf

A summary of the impact of CoServ's proposed rate changes to each environs area is provided:²

	Including COG			Excluding COG		
	% Increase Residential	% Increase Commercial	% Increase in Utility's Total Revenues	% Increase Residential	% Increase Commercial	% Increase in Utility's Total Revenues
City of Argyle Environs (Denton County)	2.6%	0.0%	3.5%	9.5%	0.0%	12.0%
City of McKinney Environs (Collin County)	3.5%	10.3%	8.4%	10.3%	41.7%	28.4%
City of Prosper Environs (Collin County)	-22.6 %	0.0%	-21.6%	-50.9%	0.0%	-47.8%
Subdivision of Castle Hills Environs (Denton County)	-6.5%	1.1%	-5.1%	-18.6%	4.3%	-14.2%
Subdivision of Lantana Environs (Denton County)	-0.9%	-9.7%	0.0%	-2.5%	-36.4%	0.1%
Subdivision of Windmill Farms Environs (Kaufman County)	-1.8%	0.0%	0.1%	-4.1%	0.0%	0.3%

² Information taken from CoServ's May 8, 2006, Response to Examiners' First Request for Information, Attachment 1-02(b) and 10-06(b). No customers existed in the City of Frisco Environs (Collin County) or City of Ponder Environs (Denton County) during the test year.

V. Proposed Changes to Miscellaneous Service Fees

CoServ requested the Commission approve the miscellaneous service fees that were approved by the settling municipalities. This change in miscellaneous service fees will increase CoServ's revenue by approximately 44%. CoServ provided expert witness testimony showing that the miscellaneous service fees are fair, just, and reasonable, because they reflect the actual costs to the utility for providing these services to CoServ's customers. In addition, the miscellaneous service fees are the same as those approved by the Commission for use by another utility's service area that is adjacent to CoServ's system. The labor and other costs associated with providing these miscellaneous service fees are generally consistent across the geographical area of the utility system.

CoServ's revised proposed miscellaneous service fees follow:

	Name and Description	Amount of Charge
1	<p>Connection Charge During Business Hours</p> <p>During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:</p> <p>(a) For a builder who uses gas temporarily during construction or for display purposes.</p> <p>(b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or</p> <p>(c) For any reason deemed necessary for Company operations</p>	\$65.00
2	<p>Connection Charge After Business Hours</p> <p>After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:</p> <p>(a) For a builder who uses gas temporarily during construction or for display purposes.</p> <p>(b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or</p> <p>(c) For any reason deemed necessary for Company operations</p>	\$ 97.00
3	<p>Field Read of Meter</p> <p>A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party.</p>	\$19.00
4	<p>Returned Check Charges</p> <p>Returned check handling charge for each check returned to Company for any reason.</p>	\$20.00
5	<p>Charge for Temporary Discontinuance of Service - Residential</p> <p>Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>	\$ 65.00
6	<p>Charge for Temporary Discontinuance of Service- NonResidential</p> <p>Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>	\$107.00
7	<p>Charge for Meter Testing</p> <p>The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services him.</p>	\$15.00
8	<p>Charge for Service Calls During Business Hours</p> <p>A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem.</p>	\$26.00

9	<p>Charge for Service Calls After Business Hours</p> <p>A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem.</p>	\$40.00
10	<p>Tampering Charge</p> <p>No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations.</p>	\$125.00
11	<p>Credit/Debit Card Payments Charge</p> <p>Bill payments using credit cards, debit cards, and electronic checks (includes third-party transaction fees and administrative costs).</p>	Actual Cost
12	<p>Line Extension and Installation Charges</p> <p>Customers in incorporated areas: Extensions and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers.</p> <p>Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedules 5.2 and 6.2. The customer is responsible for the installation of yard line and yard line risers.</p> <p>* Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension policy.</p>	Actual Cost*
13	<p>Construction Crew Charges</p> <p>All labor charges if a construction crew is required.</p>	Actual Cost
14	<p>Construction Costs Charges</p> <p>All other construction charges.</p>	Actual Cost

VI. Credit/Debit Card Payment and Surcharge

Under Rate M, CoServ proposed that the credit/debit card payments charge is the actual cost. Through RFIs, CoServ explained that it does not have an in-house program to accept credit card payments; therefore, no fees are assessed by CoServ to customers. Customers electing to make payments over the internet or by telephone through an independent third-party using a credit card are assessed a fee of \$3.95 per \$500.

Customers who pay using a credit card over the telephone are told verbally, prior to processing the transaction, that they will incur an additional fee. Customers who access the "Pay Your Bill" function through CoServ's website are notified on the next page, prior to processing, that they will incur an additional fee. The notification on the website is in a bold blue font so that it stands out visually. The charge to the customer is the actual fee charged by a third-party, non-affiliated service provider. The fee is not paid to or processed by CoServ.

CoServ stated that "the purpose of this miscellaneous service charge is to allow the company to recover its incremental cost associated with establishing such a program." However, CoServ did not provide information relating to the cost of establishing an in-house credit card

program. This proposed miscellaneous service charge is not consistent with the miscellaneous service fees approved by the Commission in GUD 9400. No such charge was approved in GUD 9400.

The Examiners recommend the Commission disallow CoServ's assessment of a miscellaneous service charge at "actual cost" for CoServ's recovery of costs associated with establishing an in-house credit card program. Should CoServ decide to develop an in-house credit card program in the future, it may file supporting documentation and request Commission review and approval of such amounts at "actual cost" in a subsequent docket. If the Commission's determination that the costs and fees associated with establishing an in-house credit card program are fair, just, reasonable, and comply with all statutory requirements, then the costs of establishing an in-house credit card program could be approved.

However, the Examiners recommend the Commission allow the credit/debit card processing fee of \$3.95 per \$500.00 to be assessed to individual customers making credit card payments through a third party, non-affiliated service provider. In that way, those customers who rely upon the convenience of the credit/debit card are assessed with the associated, cost-causing fee.

VII. Rate Case Expenses

CoServ proposed to recover rate case expenses. Consistent with the settlement agreement reached with the Coalition of Cities, CoServ proposed a surcharge per Ccf for all sales volumes based on a straight line amortization of expenditures on the declining balance over 12 months without assessment of interest.

The Examiners requested CoServ provide an accounting of its expenses in accordance with the requirements of TEX. UTIL. CODE §103.022 and 16 TEX. ADMIN. CODE §7.5530 (2002). The Examiners asked CoServ to explain estimated expenses versus actual expenses. In its responses to requests for information, CoServ provided an accounting of its expenses to the Examiners.

Rate Schedule 9.0, Rider RCE, Rate Case Expenses, contains a paragraph labeled Monthly Calculation, which states, in part, that "[t]o the extent that some expenses may be estimates, Company is authorized to add such expenses as incurred to the amount to be surcharged up to the total estimated expenses of Company and municipalities being reimbursed pursuant to the order in question." The Examiners recommend deletion of this tariff provision because it is vague and leaves question as to the amount of rate case expense requested. During the September 1, 2006, Prehearing Conference, CoServ revised its requested case expense request. CoServ eliminated approximately \$15,000 of its anticipated costs. The Examiners recommend the Commission approve CoServ's request for a surcharge to recover rate case expenses in the amount of \$42,862 using \$0.03686 per Ccf³ over an approximate 12-month period, without interest. The Examiners recommend that the rate case expense amount be shown as a separate line item on the customers' bills.

³ Calculation of the \$0.03686 per Ccf rate: 1,120,836.2 Ccf annual residential sales volumes from RFI response 1-02(e), page 1 added to 42,017.8 CCF annual commercial sales volumes from RFI response 1-02(f) = 1,162,854.00 Ccf total annual sales. \$42,862 divided by 1,162,854.00 Ccf = \$0.03686 per Ccf, which is the rate at which to recover. A residential household using approximately 6 Mcf (or 60 Ccf) of gas per month will see a rate case expense surcharge of approximately \$2.21.

Rate Schedule 9.0 states that CoServ shall file an annual report setting forth recoveries and the remaining balance in the rate expense account. The Examiners recommend the Commission require CoServ to file quarterly reports within thirty days after the end of each calendar year quarter, the first of which would be January 30, 2007, in accordance with TEX. UTIL. CODE §183.03. This report shall show the beginning balance, amount recovered by month by class of customer, the recovery volumes by class of customer, and the ending balance for each quarter. Each report shall be filed with the Director of the Gas Services Division of the Railroad Commission of Texas.

VIII. Municipal Franchise Fees are Not Assessed in Environs Areas

CoServ provided the Examiners with an environs customer's bill, which included a line item assessment of a franchise fee. The fee is actually not a franchise fee assessment. The sample bill incorrectly lists the governmental or quasi-governmental fees as franchise fees rather than identifying them as fresh water districts. Due to a limitation in CoServ's billing software, the line item on the bill shows as a franchise fee. CoServ is unable to create a footnote or to otherwise modify the identification of the assessments as applicable to water districts.

CoServ has authority to collect from certain environs customers fees that are passed through to governmental or quasi-governmental entities, such as the Denton County Fresh Water Supply District (4% of gross receipts) in the environs of Frisco; the Denton County Fresh Water Supply District (3% of gross receipts) in the Lantana Subdivision in Denton County; and the Kaufman County Development District No.1 (4% of gross receipts) in the Windmill Farms Subdivision of Kaufman County.

CoServ modified its proposed tariffs applicable to the environs customers to state affirmatively that CoServ does not assess municipal franchise fees to environs customers.

The Examiner's recommend the Commission approve the tariff, as modified. Should CoServ upgrade its billing system, it should be required to make improvements that accommodate the appropriate identification of line items on ratepayer's bills.

IX. Purchased Gas Cost Calculation

The Examiners recommend the Commission approve CoServ's proposed tariff on Purchased Gas. However, the Examiners recommend deletion of the words "fairly and" from the first sentence of the Purchased Gas Cost Calculation paragraph to reduce ambiguity and for consistency with the requirements of 16 TEX. ADMIN. CODE §7.5519. The sentence would read as follows:

The Purchased Gas Cost shall be determined for each month to ~~fairly and~~ accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems.

10. Quality of Service Rules

Currently, CoServ's tariffs relating to the quality of its service essentially quote the Commission's rule at 16 TEX. ADMIN. CODE §7.45. CoServ's proposed Rate Schedule 11.0, Rate Q - Quality of Service, deletes the text but provides, "CoServ Gas follows the quality of service requirements as set forth in the Commission rules at 16 TAC Sections 7.45 (Quality of Service) and Section 7.460 (Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency)."

The Examiners do not oppose CoServ's effort to simplify its tariff language. However, for consistency with Commission practice, to eliminate any potential ambiguity, and for consistency with 16 Tex. Admin. Code § 7.45 and §7.460, the Examiners recommend that the Commission require CoServ to modify its proposed tariff to replace the word "follows" with "adopts." Rate Schedule 11.0 would then read as follows:

CoServ Gas adopts the quality of service requirements as set forth in the Commission rules at 16 TAC Sections 7.45 (Quality of Service) and Section 7.460 (Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency).

XI. Curtailment Policy

CoServ's proposed Rate Schedule 12.0, Rate CP - Curtailment Policy, deletes the full text of the Commission's rule from its tariff but provides, "CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489."

For consistency with Commission practice, to eliminate any potential ambiguity, and for consistency with 16 Tex. Admin. Code 7.305, Curtailment Program, the Examiners recommend that the Commission require CoServ to modify its proposed tariff to replace the word "follows" with "adopts" and include citation to the Commission's Curtailment Program Rule. Rate Schedule 12.0 would then read as follows:

"CoServ Gas adopts the Gas Utilities Docket No. 489 Curtailment Program requirements as set forth in the Commissions rules at 16 Tex. Admin. Code Section 7.305 (Curtailment Program)."

XII. Lost and Unaccounted for Gas

CoServ's proposed Rate Schedule 7.0, Rate PGF - Purchased Gas Factor Schedule No. 2, page 3 of 4 contains a paragraph entitled *Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is Negative*. Potential ambiguity exists in the tariff language because the *Purpose and Intent* paragraph is subject to the limitations of the lost and unaccounted for gas (LUG) provisions. The LUG provisions refer to both line loss and line gain. If a line gain were to occur, it might be possible for the utility to collect more than it paid in actual gas cost. Rather than modifying the tariff provisions that were negotiated at the municipal level, the

Examiners recommend the Commission Order state that the LUG calculation shall not collect more than the utility's actual gas cost.

XIII. Recommendation

The Examiners recommend that CoServ's proposed tariffs, as modified, be approved. A draft Order with tariffs is attached for Commission consideration.

Issued this 19th day of October, 2006

Respectfully submitted,

Danny Bivens
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PROPOSAL FOR DECISION ATTACHMENTS

Summary Table 1: Existing Rates in CoServ Environs Areas

City of Argyle Environs (Denton County)	<ul style="list-style-type: none"> · Residential: \$9.00 per bill plus \$0.11293 per 100 cubic feet of gas used. · Commercial: \$16.00 per bill plus \$0.11293 per 100 cubic feet of gas used. · School: \$20.00 per bill plus \$0.0530 per 100 cubic feet of gas used.
City of Frisco Environs (Collin County)	<ul style="list-style-type: none"> · Residential: \$9.00 per bill plus \$1.1668 per 1,000 cubic feet of gas used. · Commercial: \$14.00 per bill plus \$1.1668 per 1,000 cubic feet of gas used.
City of McKinney Environs (Collin County)	<ul style="list-style-type: none"> · Residential: \$8.00 per bill plus \$0.13609 per 100 cubic feet of gas used. · Commercial: \$18.00 per bill plus \$0.13609 per 100 cubic feet of gas used.
City of Ponder Environs (Denton County)	<ul style="list-style-type: none"> · Residential: \$7.00 per bill plus \$0.14183 per 100 cubic feet of gas used. · Commercial: \$16.00 per bill plus \$0.14183 per 100 cubic feet of gas used.
City of Prosper Environs (Collin County)	<ul style="list-style-type: none"> · Residential: \$8.00 per bill plus \$0.36546 per 100 cubic feet of gas used. · Commercial customers not otherwise covered by contract rate provisions of TEX. UTIL. CODE §103.003: \$8.00 per bill plus \$0.36546 per 100 cubic feet of gas used.
Subdivision of Castle Hills Environs (Denton County)	<ul style="list-style-type: none"> · Residential: \$10.00 per bill plus \$0.1768 per 100 cubic feet of gas used. · Commercial: \$21.00 per bill plus \$0.1768 per 100 cubic feet of gas used.
Subdivision of Lantana Environs (Denton County)	<ul style="list-style-type: none"> · Residential: \$7.75 per bill plus \$0.1648 per 100 cubic feet of gas used. · Commercial: \$18.00 per bill plus \$0.1648 per 100 cubic feet of gas used.
Subdivision of Windmill Farms Environs (Kaufman County)	<ul style="list-style-type: none"> · Residential: \$9.50 per bill plus \$0.1600 per 100 cubic feet of gas used. · Commercial: \$20.00 per bill plus \$0.1600 per 100 cubic feet of gas used.

Summary Table 2: Proposed Rates in CoServ Environs Areas

Residential Environs Sales

Customer Charge :
\$9.00 per month, plus

Volumetric charge:

First 0 to 20 Ccf	\$0.19437 per Ccf
Next 50 Ccf	\$0.14437 per Ccf
All additional Ccf	\$0.09437 per Ccf

Commercial Environs Sales

Customer Charge :
\$15.50 per month, plus

Volumetric charge:

First 0 to 300 Ccf	\$0.24436 per Ccf
Next 200 Ccf	\$0.19436 per Ccf
All additional Ccf	\$0.14436 per Ccf