

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION OF HOUSTON PIPE LINE</b>	<b>§</b>	
<b>COMPANY LP PURSUANT TO NGPA</b>	<b>§</b>	<b>GAS UTILITIES DOCKET NO. 10559</b>
<b>SECTION 311 FOR REVIEW OF THE</b>	<b>§</b>	
<b>REASONABLENESS OF</b>	<b>§</b>	
<b>TRANSPORTATION RATES</b>	<b>§</b>	

**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. Houston Pipe Line Company LP ("HPL" or "Applicant") owns and operates an intrastate natural gas pipeline within the State of Texas.
2. On October 7, 2016, HPL filed with the Commission an application for review of the reasonableness of transportation rates under Section 311 of the NGPA.
3. On November 15, 2016, HPL filed direct testimony and accompanying schedules supporting the application.
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. HPL has shown that a volumetric rate for interruptible transportation of \$0.3125 per MMBtu plus 1.30% retention for system fuel 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 \$0.20 per MMBtu, a usage rate of \$0.1125 per MMBtu, and 1.30% retention for system fuel 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 \$0.3125 per MMBtu, and “overrun” service of \$0.3125 per MMBtu and 1.30% retention for system fuel are fair and equitable and not in excess of a cost-based rate.

### CONCLUSIONS OF LAW

1. HPL is an intrastate “gas utility” under GURA Section 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 \$0.3125 per MMBtu plus 1.30% retention for system fuel 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 \$0.20 per MMBtu, a usage rate of \$0.1125 per MMBtu, and 1.30% retention for system fuel is fair and equitable and not in excess of a cost-based rate.
6. The rates for “park and loan” service of \$0.3125 per MMBtu, and “overrun” service of \$0.3125 per MMBtu and 1.30% retention for system fuel 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 \$0.3125 per MMBtu plus 1.30% retention for system fuel for interruptible transportation service by Houston Pipe Line Company LP 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 \$0.20 per MMBtu, a usage rate of \$0.1125 per MMBtu, and 1.30% retention for system fuel 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 \$0.3125 per MMBtu, and “overrun” service of \$0.3125 per MMBtu and 1.30% retention for system fuel 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 1st day of August, 2017.

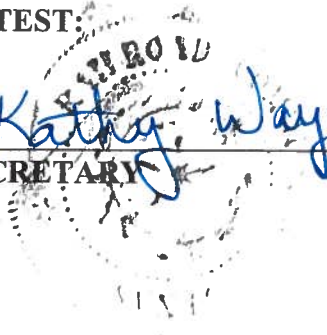
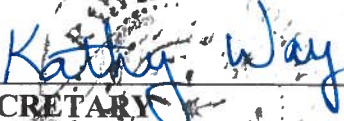
RAILROAD COMMISSION OF TEXAS

  
CHRISTI CRADDICK, CHAIRMAN

  
RYAN SITTON, COMMISSIONER

  
WAYNE CHRISTIAN, COMMISSIONER

ATTEST:

  
  
SECRETARY