

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION FILED BY AGUA	§	
BLANCA, LLC PURSUANT TO NATURAL	§	
GAS POLICY ACT SECTION 311 FOR	§	GAS UTILITIES DOCKET NO. 10761
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 TEX. GOV'T CODE ANN. Chapter 551 (Open Meetings). The Railroad Commission of Texas ("Commission") adopts the following findings of fact, conclusions of law, and orders as follows:

FINDINGS OF FACT

1. Agua Blanca, LLC ("Agua Blanca" or "Applicant") owns and operates an intrastate natural gas pipeline within the State of Texas.
2. On July 26, 2018, Agua Blanca filed with the Commission an application for review of the reasonableness of transportation rates under Section 311 of the Natural Gas Policy Act ("NGPA").
3. On August 15, 2018, Agua Blanca filed direct testimony and accompanying schedules supporting the application. On March 5, 2019, Agua Blanca filed supplemental schedules updating the cost of service to reflect changes to capital investment.
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. Agua Blanca has shown that a volumetric rate for interruptible transportation of \$0.195 per MMBtu plus retention of a proportionate share of actual system fuel (not to exceed 0.75%) 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 \$0.195 per MMBtu plus retention of a proportionate share of actual system fuel (not to exceed 0.75%) 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 \$0.195 per MMBtu and “authorized overrun” service of \$0.195 per MMBtu, plus retention of a proportionate share of actual system fuel (not to exceed 0.75%), are fair and equitable and not in excess of a cost-based rate.

CONCLUSIONS OF LAW

1. Agua Blanca is an intrastate “gas utility” under Texas Utilities Code § 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).

THE RAILROAD COMMISSION OF TEXAS hereby finds that a volumetric rate of \$0.195 per MMBtu plus retention of a proportionate share of actual system fuel (not to exceed 0.75%) for interruptible transportation service by Agua Blanca, 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 \$0.195 per MMBtu plus retention of a proportionate share of actual system fuel (not to exceed 0.75%) 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 \$0.195 per MMBtu and “authorized overrun” service of \$0.195 per MMBtu, plus retention of a proportionate share of actual system fuel (not to exceed 0.75%) 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 26th day of March, 2019.

RAILROAD COMMISSION OF TEXAS



CHRISTI CRADDICK, CHAIRMAN

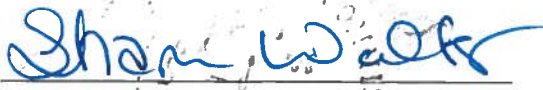


RYAN SITTON, COMMISSIONER



WAYNE CHRISTIAN, COMMISSIONER

ATTEST:



Deputy SECRETARY

