



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

GUD NO. 10555
Proposal for Decision

Complaint of TG Barnett Resources LP against Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Ptrs L.P. for Discrimination in the Taking, Transportation, and Processing of Gas, and Request for the Commission to Set Just and Reasonable Rates

PARTIES

Complainant:

TG Barnett Resources LP (TG Barnett)

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Respondent:

Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Ptrs L.P. (Cowtown)

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PROCEDURAL HISTORY

Complaint Filed:	September 29, 2016
Hearing on the Merits:	August 22, & 23, 2017 September 18, 19, & 21, 2017
Heard By:	Dana Avant Lewis, Administrative Law Judge Rose Ruiz, Technical Examiner
Written By:	Dee Marlo Chico, Administrative Law Judge (ALJ) Rose Ruiz, Technical Examiner
Docket Transferred to ALJ Chico:	June 14, 2019
Record Closed:	July 3, 2019
Proposal for Decision Issued:	July 17, 2019
Deadline for Commission Action:	N/A

STATEMENT OF THE CASE

On September 29, 2016, TG Barnett Resources LP ("TG Barnett") filed a complaint against Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P. (collectively, "Cowtown") for discrimination in the taking, transporting, and processing of gas and requests for the Commission to set just and reasonable rates. TG Barnett owns gas that is produced, gathered, processed, transported, and shipped in and through three of Cowtown's gas gathering systems in the Newark E. (Barnett Shale) Field - The Alliance System, Lake Arlington System, and Cowtown System. TG Barnett's complaint centers on the following arguments: that Cowtown and its affiliates collect rates, fees, and charges that are discriminatory with respect to similarly situated shippers, specifically between TG Barnett and BlueStone Natural Resources, LLC ("BlueStone"), and that those rates are not just and reasonable and are in excess of market-based rates.

On March 10, 2017, the Examiners determined the docket would proceed in two phases: The first phase considers TG Barnett's discrimination claim and the second phase is a formal rate proceeding, if discrimination is found. On July 27, 2017, the Notice of Hearing for the initial phase to determine whether discrimination is occurring was issued setting the hearing on the merits to commence on August 22, 2017 ("Notice of Hearing"). The hearing on the merits was held on August 22 and 23, 2017, and September 18, 19, and 21, 2017.

While the Texas Natural Resources Code states common carrier pipelines may not unduly discriminate for services rendered or for rates charged and must treat similarly situated shippers similarly,¹ the fact that two shippers are receiving the same services from a pipeline does not necessarily mean they are similarly situated. Whether another shipper is similarly situated is fact specific and depends on the unique circumstances in each case. Thus, the central issue in this discrimination claim is whether TG Barnett and BlueStone are similarly situated shippers. If TG Barnett and BlueStone are not similarly situated shippers, then discrimination does not exist.

There is no deadline for Commission action.

SUMMARY OF RECOMMENDATION

The Administrative Law Judge and Technical Examiner recommend that the Commission issue the attached Proposed Final Order, which is consistent with the Proposal for Decision ("PFD") that finds TG Barnett and BlueStone are not similarly situated shippers; thus, no undue discrimination occurred and a rate case is not necessary.

¹ Tex. Nat. Res. Code §§ 111.016, 111.017; 16 Tex. Admin. Code §7.7001 (Natural Gas Transportation Standards and Code of Conduct).

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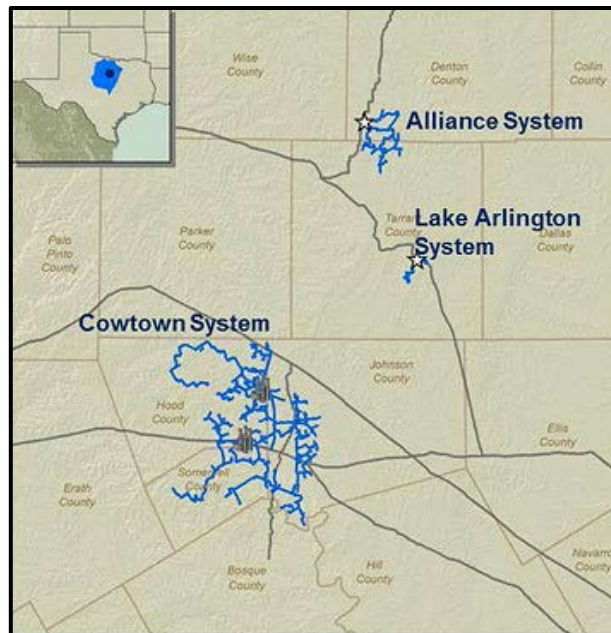
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2. Proposed Final Order

PROPOSAL FOR DECISION²

I. INTRODUCTION

Quicksilver Resources, Inc. ("Quicksilver") operated wells and built its own gas gathering systems through its subsidiaries in order to develop its production.³ The subsidiaries included Cowtown Pipeline Partners L.P., a gatherer, and Cowtown Gas Processing Partners L.P., a processor.⁴ The subsidiaries created three gas gathering systems in the Barnett Shale play, Newark East Field ("Barnett Shale") producing basin in North Texas: The Alliance System, Lake Arlington System, and Cowtown System.⁵ The map below shows the location of these gas gathering systems. Specifically, the Alliance System is in Tarrant and Denton Counties; the Lake Arlington System is in Tarrant County, and the Cowtown System is in Bosque, Erath, Hill, Hood, Johnson, Parker, Somervell, and Tarrant Counties.⁶

Figure 1. The Alliance, Lake Arlington, and Cowtown Gas Gathering Systems.⁷



² There are five hearing transcripts in this case: Transcript volume 1 dated August 22, 2017, Transcript volume 2 dated August 23, 2017, Transcript volume 3 dated September 18, 2017, Transcript volume 4 dated September 19, 2017, and Transcript volume 5 dated September 21, 2017. These hearing transcripts will be referred to in this PFD as "Tr. vol. [volume number] at [pages]." Exhibits for complainant, TG Barnett Resources LP, will be referred to in this PFD as "TGBR Exhibit [number]." Exhibits for the Respondents, Cowtown Pipeline Partners, L.P., and Cowtown Gas Processing Partners, L.P., will be referred to in this PFD as "Cowtown Exhibit [number]."

³ Tr. vol. 1 at 77-78. See TGBR Exhibits 1, 4, 5, 6, 22, 23, 25.

⁴ See TGBR Exhibits 67, 22, 23, 25.

⁵ Tr. vol. 1 at 69-70, 77.

⁶ TGBR Exhibits 22, 23, 25.

⁷ See TGBR Exhibit 232.

In 2009, Quicksilver sold 27.5 percent working interest in its wells in the Alliance system to an Italian company, ENI US Operating Company, Inc., and ENI Petroleum US LLC (collectively, "ENI").⁸

In 2010, Crestwood Midstream Partners LP ("Crestwood") purchased from Quicksilver's two subsidiaries: Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P.⁹ The parties agreed Crestwood, as the parent company, would continue to perform the gathering and processing duties of the systems through Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P.¹⁰

In 2013, TG Barnett Resources LP ("TG Barnett") purchased a 25 percent undivided interest in Quicksilver's Barnett Shale Asset (i.e., the Cowtown, Lake Arlington, and Alliance Gas Gathering Systems).¹¹ Tokyo Gas Company, Ltd. ("Tokyo Gas"), a gas utility in Japan, formed TG Barnett to acquire the 25 percent interest.¹² Tokyo Gas hired prominent companies to conduct due diligence into its purchase of the Barnett Shale Asset: technical, legal, financial, land title, and environmental due diligence as well as due diligence related to the credibility of Quicksilver.¹³ On April 30, 2013, TG Barnett purchased the undivided 25 percent interest in Quicksilver, but the terms and conditions were made to be effective September 1, 2012.¹⁴ Thus, TG Barnett acquired a 25 percent working interest in the Cowtown System and in the Lake Arlington System and an 18.125 percent working interest in the Alliance System, which was 25 percent of Quicksilver's remaining interest after the 27.5 percent ENI previously acquired.¹⁵ Table 1 summarizes the ownership interest of the working interest owners by gathering systems.

Table 1. Working Interest in Barnett Shale Wells by System¹⁶

Owner	Cowtown System	Alliance System	Lake Arlington System
Quicksilver	75%	54.375%	75%
TG Barnett	25%	18.125%	25%
ENI	N/A	27.500%	N/A

At the time of TG Barnett's acquisition of the 25 percent interest in the three gas processing systems, Crestwood operated those systems through Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P. (collectively, "Cowtown").¹⁷ TG Barnett was not a signatory to the agreements but agreed, as part of the transaction, that its gas would be gathered and compressed and processed in

⁸ Tr. vol. 1 at 72-73; TGBR Exhibit 90.

⁹ Tr. vol. 1 at 71; Tr. vol. 2 at 109. See Cowtown Exhibits 8, 9, 11.

¹⁰ Tr. vol. 2 at 109-110; Cowtown Exhibits 8, 9, 11.

¹¹ Tr. vol. 1 at 132-133.

¹² *Id.*

¹³ *Id.* at 136-141. See also Post-Hearing Brief of Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P. ("Cowtown's Post-Hearing Brief") filed on January 10, 2018.

¹⁴ Tr. vol. 1 at 69, 146-147, 149-150; Cowtown Exhibits 15, 16.

¹⁵ Tr. vol. 1 at 72-73.

¹⁶ See TG Barnett Resources LP's Closing Statement ("TG Barnett's Closing") filed on January 10, 2018.

¹⁷ Tr. vol. 1 at 71.

accordance with Quicksilver's existing agreements with Cowntown.¹⁸ On July 9, 2014, after Quicksilver asked TG Barnett to sign on as a producer on amendments to all three systems, TG Barnett became a signatory to those preexisting gathering and processing contracts between Quicksilver and Cowntown.¹⁹ However, ENI did not sign on as a producer, and TG Barnett did not have any negotiations with the Crestwood or Cowntown entities when it signed on as producer.²⁰

Quicksilver began shutting in wells in November 2014, which led to a reduction in production in the Barnett Shale.²¹ On March 17, 2015, Quicksilver filed for bankruptcy.²² On October 6, 2015, the Bankruptcy Court approved the sale of Quicksilver's assets through a bidding process.²³ Quicksilver's assets, including its Barnett Shale Asset, were put up for sale in an auction process.²⁴ The auction commenced on January 20, 2016 and concluded on January 21, 2016.²⁵ BlueStone Natural Resources II, LLC ("BlueStone")²⁶ submitted the winning bid conditioned on the rejection of Quicksilver's existing gathering and processing contracts with Cowntown regarding the Alliance, Lake Arlington, and Cowntown Gas Gathering Systems.²⁷ On February 5, 2016, Quicksilver petitioned the bankruptcy court to reject the contracts between Quicksilver and Cowntown in order to sell its Barnett Shale Asset to BlueStone.²⁸ However, Quicksilver withdrew its motion to reject the gathering contracts on April 6, 2016.²⁹

Crestwood, on behalf of the Cowntown entities, immediately went into negotiations with BlueStone to see if they could agree on new contracts.³⁰ Before the bankruptcy court could rule on the motion to reject the gathering agreements between Quicksilver and Cowntown, BlueStone and Cowntown negotiated new, lower rates for each of the three gathering systems, which became effective on April 1, 2016.³¹ BlueStone did not acquire the interests of TG Barnett or ENI. However, TG Barnett, aware of the negotiated reduced rates, was unable to obtain similar rates with Cowntown.³² Thus, on September 29, 2016, TG Barnett filed a complaint against Cowntown for discrimination in the taking, transporting, and processing of its gas in the Alliance, Lake Arlington, and Cowntown Systems between similarly situated

¹⁸ Tr. vol. 1 at 75, 150-151.

¹⁹ *Id.* at 78-79, 83-83; Tr. vol. 2 at 111; Cowntown Exhibits 19, 20, 21, 22, 23.

²⁰ Tr. vol. 1 at 79.

²¹ *Id.* at 99; Tr. vol. 2 at 126-127.

²² Tr. vol. 1 at 86. *See also* Cowntown Exhibit 33.

²³ Cowntown Exhibit 34.

²⁴ Tr. vol. 1 at 87; Tr. vol. 3 at 33; Tr. vol. 4 at 19.

²⁵ Cowntown Exhibit 34.

²⁶ The P-5 number for BlueStone is 076861. TGBR Ex. 207.

²⁷ Tr. vol. 1 at 88; Tr. vol. 3 at 33; TGBR Exhibit 90; Cowntown Exhibits 34, 35.

²⁸ TGBR Exhibit 185; Tr. vol. 1 at 88; Tr. vol. 3 at 35.

²⁹ Tr. vol. 1 at 98; TGBR Exhibit 90.

³⁰ Tr. vol. 1 at 90; Tr. vol. 3 at 36.

³¹ Tr. vol. 1 at 60, 90; Tr. vol. 2 at 43.

³² *See* TG Barnett Resources LP's Reply to Cowntown's Post-Hearing Brief ("TG Barnett's Reply") filed on February 9, 2018.

shippers (i.e., between TG Barnett and BlueStone) with rates, fees, and charges in excess of market-based rates and of just and reasonable rates.³³

II. PARTIES

Complainant TG Barnett, a subsidiary of Tokyo Gas, is a non-operating working interest owner of certain wells in the Barnett Shale Field. TG Barnett owns a 25 percent undivided working interest in gas from Cowntown and Lake Arlington and an 18.125 percent interest in Alliance. From 2012 through July 2014, TG Barnett's gas was gathered and processed under the terms of Quicksilver's contracts with Cowntown. In July 2014, TG Barnett became a producer party and signatory to the agreements when it executed amendments to the existing agreements between Cowntown and Quicksilver. After Quicksilver filed for Bankruptcy and BlueStone acquired its assets, TG Barnett filed a discrimination complaint with the Commission on September 29, 2016.³⁴

Crestwood, who acquired both Respondents from Quicksilver in 2010, is Respondents' parent company. Respondents are collectively referred to as "Cowntown" in this PFD.³⁵ Cowntown owns the three gas gathering systems that are the subject of this complaint. Respondents include Cowntown Pipeline Partners L.P. ("Cowntown Pipeline") and Cowntown Gas Processing Partners L.P. ("Cowntown Gas Processing"). Cowntown Pipeline operates as a gas utility under Commission P-5 Permit Number 183246.³⁶ The T-4 permits for its gas gathering systems that are the subject of this complaint include: T-08260 and T-07643 for the Cowntown gathering system in Somervell, Hood, Johnson, and Erath Counties; T-07854 for its Lake Arlington gathering system in Tarrant County; and T-08015 for its Alliance gathering system in Denton and Tarrant Counties.³⁷ Cowntown Gas Processing is a gas processor and pipeline operator. It operates under Commission P-5 Permit Number 183067, which has the following specialty codes: gas processing plant, distribution system/master meter operators, and pipeline operators.³⁸

³³ Formal Complaint of TG Barnett Resources LP Against Cowntown Pipeline Partners L.P. and Cowntown Gas Processing Ptrs L.P. for Discrimination in the Taking and Transporting and Processing of Gas, and Violations of Texas Natural Resources Code, Chapters 81, 85, & 111, Statewide Rule 34, Texas Utilities Code Chapter 104, and 16 Texas Administrative Code §7.7001, et. seq., and Request for the Commission to set Just and Reasonable Rates ("Formal Complaint") filed by TG Barnett on September 29, 2016.

³⁴ Formal Complaint filed by TG Barnett on September 29, 2016. Cowntown filed its response on October 28, 2016. Response and Motion to Dismiss TG's Complaint and Motion to Abate Discovery ("Response") filed by Cowntown on October 28, 2016.

³⁵ See TGBR Exhibit 17, 18.

³⁶ TGBR Exhibits 12, 14, 16-18, 209.

³⁷ Tr. vol. 1 at 70; TG Barnett's Closing filed on January 10, 2018; TGBR Exhibits 12-14, 16, 37, 39, 41; Cowntown Exhibits 69, 70, 70-A.

³⁸ TGBR Exhibit 208.

III. JURISDICTION, BURDEN OF PROOF, AND NOTICE

Jurisdiction

The Commission has jurisdiction over Cowtown, associated affiliates, and all matters in this proceeding pursuant to Chapters 81 (Railroad Commission of Texas) and 111 (Common Carriers, Public Utilities, and Common Purchasers) ("Common Carrier Act") of the Texas Natural Resources Code and Chapter 121 (Gas Pipeline) of the Texas Utility Code.

Burden of Proof

In a complaint filed with the Commission, the burden of proof rests upon the complainant, TG Barnett, by a preponderance of the evidence.

Notice

Proper notice has been issued in accordance with all applicable statutory and regulatory requirements. On July 27, 2017, the Administrative Law Judge (ALJ) issued the Notice of Hearing, which complied with Chapter 2001 (Administrative Procedure) of the Texas Government Code, Part 1 (Railroad Commission of Texas) of Title 16 (Economic Regulation) of the Texas Administrative Code, and other applicable authority. On July 31, 2017, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1064*, in accordance with Title 16 of the Texas Administrative Code §7.235 (Publication and Service of Notice).³⁹

IV. PROCEDURAL HISTORY

On September 29, 2016, TG Barnett filed a discrimination complaint against Cowtown for its discriminatory rates, fees, and charges against TG Barnett's gas produced, gathered, processed, transported, and shipped in and through Cowtown's Alliance, Lake Arlington, and Cowtown Gas Gathering Systems.⁴⁰ On October 28, 2016, Cowtown filed its response and a motion to dismiss TG Barnett's complaint, which was denied, and a motion to abate discovery.⁴¹ The parties were ordered to reengage in the discovery process.⁴² The docket thereafter proceeded in two phases: first, to determine TG Barnett's discrimination claim; second, to conduct a formal rate proceeding if the Examiners find, in phase one, unreasonable discrimination occurring.⁴³ On July 27, 2017, the Notice of Hearing for the initial phase to determine whether discrimination is occurring was issued setting the hearing on the merits to commence on August 22, 2017 ("Notice of Hearing").⁴⁴ On July 31, 2017, the

³⁹ Examiners' Letter No. 9 (Notice of Hearing), issued July 27, 2017 (issuing the Notice of Hearing to all parties of record).

⁴⁰ Formal Complaint filed by TG Barnett on September 29, 2016.

⁴¹ Response filed by Cowtown on October 28, 2016. *See also* Examiners' Letter No. 5 (Ruling on Motion to Dismiss TG's Complaint and Motion to Abate Discovery), issued February 9, 2016.

⁴² Examiners' Letter No. 5 (Ruling on Motion to Dismiss TG's Complaint and Motion to Abate Discovery), issued February 9, 2016.

⁴³ *Id.* *See also* Examiners' Letter No. 6 (Scheduling Order), issued March 10, 2017.

⁴⁴ Examiners' Letter No. 9 (Notice of Hearing), issued July 27, 2017.

Commission published the *Notice of Hearing in Gas Utilities Information Bulletin No. 1064*.

The hearing on the merits was held on August 22 and 23, 2017; and September 18, 19, and 21, 2017. The evidentiary exhibit list is attached to this PFD as Attachment 1. On July 3, 2019, the ALJ closed the evidentiary record on the discrimination phase.

V. LEGAL STANDARD

It is well settled that common carriers must perform their obligations without discrimination. Section 111.015 of the Texas Natural Resources Code codifies the common law obligation. Additional prohibitions include a common carrier not discriminating between or against shippers with regards to facilities furnished, services rendered, or rates charged under the same or similar circumstances;⁴⁵ a common carrier not discriminating in the transportation of product;⁴⁶ and a common carrier not charging, demanding, collecting, or receiving from anyone a greater or lesser compensation for a service rendered than from another for a like and contemporaneous service.⁴⁷ Moreover, a pipeline gas utility may not discriminate for a service or in its charges.⁴⁸ And, each rate a gas utility makes, demands, or receives must be just and reasonable – not unreasonably preferential, prejudicial, or discriminatory.⁴⁹

Under Title 16 of the Texas Administrative Code §7.7001(b), a transporter that provides transportation services for any shipper shall apply or enforce any tariff or contract provision for transportation services in a similar manner to similarly situated shippers and shall not give any shipper preference in the provision of transportation services over any other similarly situated shippers. In determining whether an entity has violated Section 7.7001 or has unreasonably discriminated against a seller of natural gas in the purchase of natural gas from the seller, the Commission will consider the factors set forth in the definition of “similarly situated shipper.” Section 7.115(32) of the Texas Administrative Code, Title 16, defines “similarly situated shipper” as any shipper that seeks or receives transportation services under the same or substantially the same, physical, regulatory, and economic conditions of service as any other shipper of a transporter.⁵⁰ The rule also states that in determining whether conditions of service are the same or substantially the same, the Commission shall evaluate the significance of relevant conditions, including, but not limited to, the following thirteen factors:

⁴⁵ Tex. Nat. Res. Code §111.016 (Discrimination Between Shippers).

⁴⁶ Tex. Nat. Res. Code §111.015 (Transportation without Discrimination).

⁴⁷ Tex. Nat. Res. Code §111.017 (Equal Compensation for Like Service).

⁴⁸ Tex. Nat. Res. Code §111.052 (Discrimination by Public Utility).

⁴⁹ Tex. Util. Code §104.003 (Just and Reasonable Rates).

⁵⁰ 16 Tex. Admin. Code §7.115(32) (Definitions).

- (A) service requirements;
- (B) location of facilities;
- (C) receipt and delivery points;
- (D) length of haul;
- (E) quality of service (firm, interruptible, etc.);
- (F) quantity;
- (G) swing requirements;
- (H) credit worthiness;
- (I) gas quality;
- (J) pressure (including inlet or line pressure);
- (K) duration of service;
- (L) connect requirements; and
- (M) conditions and circumstances existing at the time of agreement or negotiation.⁵¹

Thus, in determining whether conditions of service are the same or substantially the same, an evaluation of the significance and degree of similarity or difference in relevant conditions between sellers that are material and probative must be made.

On the filing of a complaint by a shipper or seller of natural gas, the Commission *may* set a transportation or gathering rate in a formal rate proceeding *if* the Commission determines that the rate is necessary to remedy unreasonable discrimination in the provision of transportation or gathering services.⁵² The Commission may set a rate regardless of whether the transporter or gatherer is classified as a utility by other law.⁵³

VI. WHETHER TG BARNETT IS A SIMILARLY SITUATED SHIPPER TO BLUESTONE, AND THUS BEING TREATED IN AN UNDULY DISCRIMINATORY MANNER

1. The Parties' Positions

TG Barnett argues Examiners should consider all thirteen factors in the definition of "similarly situated shippers"⁵⁴ and presents evidence showing most of the factors favor their argument that TG Barnett and BlueStone are similarly situated shippers. Cowtown maintains the factor to consider is subsection (M), conditions and circumstances existing at the time of agreement or negotiation. TG Barnett counters that Cowtown's reliance on a single criterion ignores the other statutory prohibitions of discrimination that do not employ the definition (i.e., do not require the finding of similarly situated shipper).

⁵¹ 16 Tex. Admin. Code §7.115(32) (Definitions).

⁵² 16 Tex. Admin. Code §7.7005 (Authority to Set Rates).

⁵³ Tex. Nat. Res. Code §81.061.

⁵⁴ 16 Tex. Admin. Code §7.115(32) (Definitions).

TG Barnett's Argument⁵⁵

TG Barnett argues the Examiners should focus their analysis as to whether the shippers are similarly situated on the differences in the physical, regulatory, and economic conditions of service in order to determine if discrimination occurred.⁵⁶ TG Barnett maintains that it and BlueStone are similarly situated shippers since most of the factors under 16 Tex. Admin. Code §7.115(32) apply.⁵⁷ As TG Barnett explains, it is similar to BlueStone since both own interests in wells that are connected to the Alliance, Lake Arlington, and Cowtown Gas Gathering Systems, which are each owned and operated by Cowtown. TG Barnett describes each shipper as having undivided interests in the same gas stream from which production is gathered from the same wells flowing through the same well bores into the same gathering, treating, and processing facilities.

Ms. Jane Kidd, an economist specializing in midstream economics and TG Barnett's expert witness, was tasked to determine whether TG Barnett and BlueStone are similarly situated shippers under the thirteen factor criteria.⁵⁸ She affirmatively testified that, as an economic matter, they are similarly situated shippers.⁵⁹ Ms. Kidd explained that since BlueStone and TG Barnett are undivided owners in a single stream of gas, the service requirements, location of facilities, receipt of delivery points, length of haul, quality of service, quantity, swing requirements, gas quality, pressure, and connection requirements were the same.⁶⁰ Regarding credit worthiness, Ms. Kidd explained she did not compare the shippers.⁶¹ Regarding duration of service, however, Ms. Kidd said she compared BlueStone's agreement, which is for a 10-year term, and the original contracts that TG Barnett eventually became a signatory to, which had an original primary term of ten years for Cowtown and Lake Arlington and nine years for Alliance.⁶² For the conditions and circumstances existing at the time of agreement or negotiation, Ms. Kidd, who spoke to the actual service provided and had been provided, testified that there is "no difference in the economic conditions of the service" between the time TG Barnett executed its

⁵⁵ TG Barnett's Closing filed on January 10, 2018; TG Barnett's Reply filed on February 9, 2018.

⁵⁶ TG Barnett's Closing filed on January 10, 2018; TG Barnett's Reply filed on February 9, 2018.

⁵⁷ Tr. vol. 1 at 233-238. In its post-hearing brief, TG Barnett indicates in some table of contents entries and headings that ENI is similarly situated to it and to BlueStone. However, TG Barnett does not provide significant evidence to support that conclusion. TG Barnett offers no citation to exhibits or testimony except for one footnote (No. 188) to the testimony of its witness, Mr. Kyoichiro Baba. Only Mr. Baba comments on the three shippers being similarly situated. The other witnesses listed in TG Barnett's post-hearing brief do not mention ENI. They discuss how TG Barnett and BlueStone are similarly situated. Even the comparison chart, post-hearing brief figure 14 (demonstrative Exhibit 227), focuses only on TG Barnett and BlueStone and not between all three shippers. See *generally* TG Barnett's Closing filed on January 10, 2018.

⁵⁸ *Id.* at 198-199; TGBR Exhibit 90

⁵⁹ Tr. vol. 1 at 232; TGBR Exhibit 90.

⁶⁰ Tr. vol. 1 at 232-237; TGBR Exhibit 90.

⁶¹ TGBR Exhibit 90.

⁶² Tr. vol. 1 at 236-237; TGBR Exhibit 90.

agreements and the April 2016 BlueStone agreements.⁶³ Despite these commonalities, TG Barnett posits Cowtown charges it higher rates than BlueStone for the same services even though they receive similar and contemporaneous service from Cowtown.

Finally, TG Barnett contends that reliance on the thirteen factors ignores the other statutory prohibitions of discrimination that do not employ the 16 Tex. Admin. Code §7.115(32) definition. TG Barnett's first example is Texas Utility Code §121.104, which states a pipeline gas utility may not directly or indirectly charge, demand, collect, or receive from anyone a greater or lesser compensation for a service provided than the compensation charged, demanded, or received from another for a similar and contemporaneous service.⁶⁴ TG Barnett's second example is Texas Natural Resources Code §111.017(a), which says that no common carrier in its operations as a common carrier may charge, demand, collect, or receive either directly or indirectly from anyone a greater or lesser compensation for a service rendered than from another for a like and contemporaneous service.⁶⁵ TG Barnett's third example is Texas Natural Resources Code §111.086, which proclaims that a common purchaser shall purchase oil offered to it for purchase without discrimination in favor of one producer or person against another producer or person in the same field and without unjust or unreasonable discrimination between fields in this state.⁶⁶ Finally, TG Barnett references Texas Utility Code §104.004, which notes a gas utility may not: (1) grant an unreasonable preference or advantage concerning rates or services to a person in a classification; (2) subject a person in a classification to an unreasonable prejudice or disadvantage concerning rates or services; or establish or maintain an unreasonable difference concerning rates of services between localities or between classes of service.⁶⁷ TG Barnett asserts that none of these statutes require a finding of similarly situated shipper.⁶⁸

Cowtown's Argument⁶⁹

Cowtown argues TG Barnett admitted, through its witness Mr. Kyoichiro Baba, that its gathering agreements were non-discriminatory when signed but became unreasonably discriminatory when another producer signed a different type of contract two years later.⁷⁰ Mr. Baba is Vice President of the upstream business for Tokyo Gas America, which is a wholly owned subsidiary of Tokyo Gas.⁷¹ During his

⁶³ Tr. vol. 1 at 23-238; TGBR Exhibit 90.

⁶⁴ Tex. Util. Code §121.104(a)(2) (Discrimination in Service and Charges Prohibited); TG Barnett's Reply filed on February 9, 2018.

⁶⁵ Tex. Nat. Res. Code §111.017(a) (Equal Compensation for Like Service); TG Barnett's Reply filed on February 9, 2018.

⁶⁶ Tex. Nat. Res. Code §111.086(a) (Discrimination Between Persons and Fields); TG Barnett's Reply filed on February 9, 2018.

⁶⁷ Tex. Util. Code §104.004 (Unreasonable Preference or Prejudice Prohibited); TG Barnett's Reply filed on February 9, 2018.

⁶⁸ TG Barnett's Reply filed on February 9, 2018.

⁶⁹ Cowtown's Post-Hearing Brief filed on January 10, 2018; Cowtown's Reply Brief, February 9, 2018.

⁷⁰ Tr. vol. 1 at 169.

⁷¹ *Id.* at 123.

cross-examination by Cowtown's counsel, Mr. Baba acknowledged that when TG Barnett became signatory to the Cowtown-Quicksilver agreements in 2014, the contracts were not discriminatory.⁷² He also conceded they were not discriminatory in 2015.⁷³ However, he testified that they became discriminatory in 2016 when BlueStone signed a new contract with Cowtown.⁷⁴

Another argument Cowtown posits is that BlueStone and TG Barnett are not similarly situated shippers, because they provided materially different consideration. One such consideration is the Cowtown Laterals. The Cowtown Laterals are several pieces of pipe of approximately 40 miles of 12- and 20-inch pipe owned by BlueStone, which Cowtown acquired for a nominal fee of a dollar.⁷⁵ Cowtown counters TG Barnett's claim that BlueStone's consideration of the Cowtown Laterals held little weight in disproving discrimination by demonstrating the value to the laterals, specifically the economic value gained from their ownership since it positions Cowtown for future business opportunities to acquire gas from other processors and to transport the gas to existing Cowtown processing plants.⁷⁶

Finally, Cowtown asserts that although certain factors under 16 Tex. Admin. Code §7.115(32) may be the same between BlueStone and TG Barnett, it is subsection M (conditions and circumstances existing at the time of agreement or negotiation) that applies. Cowtown claims the conditions and circumstances existing at the time of the TG Barnett and of the BlueStone agreements were vastly different thereby rendering the parties not similarly situated. Cowtown attests that market conditions have a material impact on the negotiated rate for gathering and processing and that changes in the market conditions can lead to different producers having different contracted rates with the same gatherer.⁷⁷

Cowtown explains TG Barnett and BlueStone entered into their respective contracts with Cowtown several years apart under drastically different market conditions. Mr. Ajey Chandra, Cowtown's expert witness, testified commodity prices were still relatively high in 2014 when TG Barnett became a signatory to Cowtown's gas gathering systems, but commodity prices had all declined by 2016 when BlueStone negotiated lower rates with Cowtown.⁷⁸ Mr. Chandra is Vice President and Managing Partner of Muse, Stancil & CO., a consulting firm specializing in the midstream energy, petroleum refining, and petrochemicals industry.⁷⁹ Mr. Chandra explained that whenever commodity prices are high, activity in the oilfields tend to be high: more wells are drilled and more gas plants are brought on, which leads to producers wanting to be able to purchase the services to get their gas processed.⁸⁰

⁷² See *id.* at 169.

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ Tr. vol. 5 at 9. Cowtown Exhibits 42, 53; Trl. Vol. 4 at 55-56.

⁷⁶ TG Barnett's Closing filed on January 10, 2018; See Cowtown Exhibit 54, 55.

⁷⁷ See Tr. vol. 4 at 172.

⁷⁸ Tr. vol. 5 at 178.

⁷⁹ Cowtown Exhibit 54; Tr. vol. 4 at 176-177.

⁸⁰ Tr. vol. 4 at 172.

Mr. Chandra also concluded that TG Barnett and BlueStone are not similarly situated shippers.⁸¹

2. Examiners' Analysis

Texas Natural Resources Code §81.052 authorizes the Commission to adopt all necessary rules for governing and regulating persons under the jurisdiction of the Commission. Texas Utility Code §104.001 vests in the Commission all the authority and power of this state to ensure compliance with the obligations of gas utilities.

Section §7.7001(a) of the Texas Administrative Code, Title 16, specifies standards of conduct governing the provision of gas transportation services in order to prevent discrimination prohibited by the Common Purchaser Act, the Texas Natural Resources Code §111.081, et seq.; the Texas Utilities Code, Titles 3 and 4, which if violated, as found by the Commission, may constitute evidence of unlawful discriminatory activity. Section 7.7001(a) covers the statutory provisions cited by TG Barnett, which it argued did not include the finding of "similarly situated shipper;" when in fact the rule does prohibit discrimination between similarly situated shippers.⁸² Specifically, Section 7.7001(b) states that a transporter that provides transportation services for any shipper (including affiliate shippers) shall:

- (1) apply any tariff or contract provision for transportation services which provides for discretion in the application of the provision in a similar manner to *similarly-situated shippers*;
- (2) enforce any tariff or contract provision for transportation services if there is no discretion stated in the tariff or contract in the application of the provision in a similar manner to *similarly-situated shippers*;
- (3) not give any shipper preference in the provision of transportation services over any other *similarly-situated shippers*;
- (4) process requests for transportation services from any shipper in a similar manner and within a similar period of time as it does for any other *similarly-situated shipper*; and maintain its books of account in such a fashion that transportation services provided to an affiliate can be identified and segregated.⁸³
[emphasis added]

Furthermore, Title 16 of the Texas Administrative Code §7.115(12) defines "discrimination" as any material difference in rates, service, rules and regulations, or conditions of service for transportation services which unreasonably disadvantages

⁸¹ Cowtown Exhibit 54; Tr. vol. 4 at 176-177.

⁸² 16 Tex. Admin. Code §7.7001(a) (Natural Gas Transportation Standards and Code of Conduct).

⁸³ 16 Tex. Admin. Code §7.7001(b) (Natural Gas Transportation Standards and Code of Conduct).

or prejudices similarly situated shippers,⁸⁴ which is defined in 16 Tex. Admin. Code §7.115(32). Section 7.7003(d) of the Texas Administrative Code, Title 16, outlines what the Commission will consider in determining whether conditions of service are the same or substantially the same.⁸⁵ It references the thirteen factors listed under the definition of "similarly situated shippers."⁸⁶ It requires the Commission to evaluate conditions that include, but are not limited to, those thirteen factors.⁸⁷ There is an ambiguity in this language of Section 7.7003(d) as it implies all thirteen factors must be considered, as argued by TG Barnett. However, in the preamble of the adoption of Section 7.7003, the Commission unequivocally states that consideration of all thirteen factors under Sections 7.115(12) or (32) is expressly not mandatory in determining whether an entity has violated Section 7.7001.⁸⁸

Although all the factors were considered, including arguments delving into the specifics of each contract (e.g., Cowtown Laterals), they are not dispositive to the issue but are akin to a red herring in the analysis. For example, details into BlueStone's consideration of the Cowtown Laterals, which were approximately 40 miles of lateral pipelines sold to Cowtown, were considered valuable to Cowtown from an economical, operational, and strategic perspective but were, to TG Barnett, legally incompetent evidence to disprove discrimination in providing similar and contemporaneous service.⁸⁹ Such arguments and discussions into the minutia of the contracts divert attention from the actual dispositive factor: the conditions and circumstances existing at the time of agreement or negotiation.

The parties' arguments and evidence have been duly considered by the ALJ and Technical Examiner, and based on the evidence provided in this case, the factor that is material and probative in the analysis as to whether conditions of service are the same between TG Barnett and BlueStone in order to determine whether they are similarly situated shippers is Subsection (M),⁹⁰ conditions and circumstances existing at the time of agreement or negotiation.

TG Barnett initially purchased interests from Quicksilver and assumed existing gathering and processing agreements in 2013. TG Barnett later executed amendments to those contracts in July 2014 with a remaining term through December 2020 – approximately six years later. Before TG Barnett acquired its

⁸⁴ 16 Tex. Admin. Code §7.115(12) (Definitions, "discrimination").

⁸⁵ 16 Tex. Admin. Code §7.7003(d) (Administrative Penalties and Other Remedies for Discrimination).

⁸⁶ See *generally* 16 Tex. Admin. Code §7.115(32)(M) (defining "similarly situated shippers").

⁸⁷ 16 Tex. Admin. Code §7.7003(d) (stating that the Commission shall evaluate the significance and degree of similarity or difference in relevant conditions between sellers that are material and probative, including, but not limited to, the thirteen factors set forth in the definition of "similarly situated shipper" in §7.115).

⁸⁸ 33 Tex. Reg. 3404-3405 (2008).

⁸⁹ Cowtown's Post-Hearing Brief filed on January 10, 2018. TG Barnett's Closing filed on January 10, 2018. The Cowtown Laterals would position Cowtown for future business opportunities to acquire gas from other processors and to transport the gas to existing Cowtown processing plants. Cowtown's Post-Hearing Brief filed on January 10, 2018.

⁹⁰ 16 Tex. Admin. Code §7.115(32)(M).

interests in the Barnett Shale and while Quicksilver developed the Barnett Shale in 2008, drilling activity was robust.⁹¹ When Crestwood bought the gathering systems from Quicksilver in 2010, drilling activity decreased, but there was an expectation that the drilling activity would pick up.⁹² However, by March 2016 when Quicksilver filed for bankruptcy, there was little to no drilling activity. Quicksilver had also shut in its wells due to the economic downturn in energy prices since late 2014 and due to Quicksilver's financial situation.⁹³ Thus, those amendments TG Barnett executed in 2014 occurred before Quicksilver shut-in its wells and filed for bankruptcy and before a number of producers in the area had already shut in other wells.⁹⁴

Also, natural gas, crude oil, and propane commodity prices were high before TG Barnett signed the 2014 amendments. Natural gas prices were generally in the range of approximately \$5.36 per MMBtu and propane prices of \$1.02 per gallon from 2008 through 2014.⁹⁵ With strong commodity prices, the demand for processing services were high.⁹⁶ However, when BlueStone signed its contracts in April 2016, the commodity prices were low.⁹⁷ Table 2 below shows the commodity prices during significant periods before the complaint was filed.

Table 2. Commodity Prices⁹⁸

Month	Crude Oil WTI, Cushing (\$/Bbl)	Natural Gas Henry Hub (\$/MMBtu)	Propane MB, non-TET cents/gallon	Event
September 2008	103.65	7.81	152.92	Quicksilver's Development in the Barnett Shale
December 2009	74.47	5.19	119.17	
October 2010	81.90	3.48	123.16	Crestwood bought the gathering systems
September 2012	94.51	2.84	90.85	Effective date of TG Barnett's April 2013 agreements
April 2013	92.02	4.15	94.00	TG Barnett bought its 25 percent interests from Quicksilver
June 2014	105.24	4.57	104.49	TG Barnett became a producer party to the three gas gathering systems
April 2016	40.95	1.89	45.46	BlueStone executed its agreements with Cowtown's three gas gathering systems

⁹¹ Cowtown Exhibit 54.

⁹² *Id.*

⁹³ *Id.*

⁹⁴ Tr. vol. 4 at 186.

⁹⁵ Cowtown Exhibit 55.

⁹⁶ Tr. vol. 4 at 184.

⁹⁷ *Id.* at 185. See also Cowtown Exhibit 54.

⁹⁸ See Cowtown Exhibits 54, 65.

Finally, TG Barnett had no bargaining leverage over Cowtown at the time of the Quicksilver bankruptcy, at the time of the negotiations between BlueStone and Cowtown, or at the time it became a producer party with Quicksilver.⁹⁹ In contrast, BlueStone entered into contracts with Cowtown after Quicksilver filed for bankruptcy and after Quicksilver's contracts with Cowtown were threatened to be rejected by the bankruptcy court. By conditioning its acquisition of Quicksilver's assets on the rejection of Cowtown's three gas gathering systems, BlueStone was in a unique bargaining position. Cowtown, who had obligations to its shareholders, sought to get new gathering and processing agreements in place with BlueStone before the Bankruptcy Judge had to rule on rejecting the contracts.¹⁰⁰ Although BlueStone obtained lower rates in its agreement with Cowtown, it also agreed to restore production of shut-in wells and to not shut-in wells for economic reasons.¹⁰¹ Thus, BlueStone had significant leverage in its negotiations with Cowtown while TG Barnett did not because it was amending existing, binding agreements.

While the Texas Natural Resources Code states common carrier pipelines may not discriminate for services rendered or for rates charged and must treat similarly situated shippers similarly,¹⁰² the fact that two shippers are receiving the same services from a pipeline does not necessarily mean they are similarly situated. Whether another shipper is similarly situated is fact specific and depends on the unique circumstances in each case. In this instance, the probative evidence is the conditions and circumstances existing at the time of agreement or negotiation between Cowtown and TG Barnett and between Cowtown and BlueStone. Based on the evidence presented, it is the determination of the ALJ and Technical Examiner that TG Barnett failed to prove that it is similarly situated to BlueStone; thus, TG Barnett is not being treated in an unduly discriminatory manner and a rate case is unnecessary.

VII. EXAMINERS' LETTER NO. 5

On February 9, 2016, Examiner's Letter No. 5 denied Cowtown's Motion to Dismiss TG Barnett's complaint and Cowtown's Motion to Abate Discovery.¹⁰³ On February 21, 2017, Cowtown filed an interim appeal of Examiners' Letter No. 5.¹⁰⁴ The Commission did not take any action (i.e., sign a written order ruling on the appeal), so the appeal was deemed denied by operation of law and any granted stay was lifted. In its post-hearing brief and reply brief to TG Barnett's closing statement, Cowtown requested reconsideration of Examiners' Letter No. 5 and denial of TG Barnett's complaint with

⁹⁹ Tr. vol. 1 at 88.

¹⁰⁰ Tr. vol 4 at 52.

¹⁰¹ Tr. vol. 1 at 99.

¹⁰² Tex. Nat. Res. Code §§ 111.016, 111.017; 16 Tex. Admin. Code §7.7001 (Natural Gas Transportation Standards and Code of Conduct).

¹⁰³ Examiners' Letter No. 5 (Ruling on Motion to Dismiss TG's Complaint and Motion to Abate Discovery), issued February 9, 2016.

¹⁰⁴ Cowtown's Interim Appeal and Request for Stay of Examiners' Letter No. 5 and Request for Oral Argument filed by Cowtown on February 21, 2017.

prejudice under Texas Utility Code §104.003(b)(1).¹⁰⁶ The Examiners will not disturb the prior ALJ's ruling, because Cowtown's interim appeal was deemed denied by operation of law and pursuant to 16 Tex. Admin. Code §1.38(e) reconsideration may be raised again in exceptions to the proposal for decision.¹⁰⁷

VIII. RECOMMENDATIONS

The Examiners find that TG Barnett did not meet its burden in establishing Cowtown unduly discriminated against TG Barnett in the taking, transporting, and processing of its gas, because it failed to prove it is a similarly situated shipper to Cowtown's other customer, BlueStone. The Examiners recommend TG Barnett's discrimination complaint be denied as unreasonable discrimination has not occurred. Accordingly, the Examiners respectfully recommend that the Commission issue the attached Proposed Final Order that is consistent with this PFD. The recommendations contained herein are just and reasonable, supported by the weight of reliable and probative evidence, consistent with the public interest, and proper under applicable Texas law and Commission rules.

The Examiners considered all of the evidence admitted. The PFD, Findings of Fact, and Conclusions of Law are based on an assessment of all the evidence whether or not the evidence is specifically discussed in this PFD.

IX. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Findings of Fact and Conclusions of Law contained in the Proposed Final Order, appended to this PFD as Attachment 2, are incorporated by reference.

SIGNED July 17, 2019.



Dee Marlo Chico
Administrative Law Judge



Rose Ruiz
Technical Examiner

¹⁰⁶ Cowtown's Post-Hearing Brief filed on January 10, 2018; Cowtown's Reply Brief filed by Cowtown on February 9, 2019.

¹⁰⁷ 16 Tex. Admin. Code §1.38(e)(Interim Ruling and Appeals of Interim Rulings).

Proposal for Decision

GUD No. 10555

ATTACHMENT 1

(Evidentiary Exhibit Lists)

Cowtown's Final Exhibit List

#	Description	Admitted	PM
1.	2008.09.01 Cowtown Processing and Gathering Agreement (Cowtown 1239-1280 and 3032-3073)	Y	
2.	2008.09.01 Lake Arlington Gathering Agreement (Cowtown 1210-1238 and 3074-3102)	Y	
3.	2009.01.01 Cowtown First Amendment (Mash Unit) (Cowtown 1282-1287 and 3103-3108)	Y	
4.	2009.09.01 Cowtown and Cowtown Pipeline Operating Agreement (Cowtown 13823 –13832)	Y	
5.	2009.09.29 Lake Arlington First Amendment (Cowtown 1302 – 1303 and 3109 - 3110)	Y	
6.	2009.12.01 Alliance Gathering Agreement (Cowtown 1415-1447 and 3111 - 3143)	Y	
7.	2010.08.01 Amendment to Mash Unit Agreement (Cowtown 1448-1449 and 3144 - 3145)	Y	
8.	2010.10.01 Alliance First Amendment (Cowtown 1511-1515 and 3146 - 3150)	Y	
9.	2010.10.01 Cowtown Second Amendment (Cowtown 1571-1577 and 3151 - 3157)	Y	
10.	2010.10.01 Cowtown Amended Second Amendment (Cowtown 1831-1836)	Y	
11.	2010.10.01 Lake Arlington Second Amendment (Cowtown 1508-1510 and 3158 - 3160)	Y	
12.	2012.08.13 Lake Arlington Third Amendment (Cowtown 1776 – 1778 and 3161 - 3163)	Y	

#	Description	Admitted	PM
13.	2012.11.29 TG Due Diligence (TGBR 2135-2140)	Y	PM (TG)
14.	2013.03.04 Project Rain Red Flag (TGBR 2147-2150)	Y	PM (TG)
15.	2014.03.28 TG.QRI Purchase and Sale Agreement (TGBR 6801012)	Y	
16.	2013.04.30 Bill of Sale (Cowtown 1897 - 2373)	Y	
17.	2014.05.23 Gonseaux Email (None)	Y	
18.	2014.05.27 Himelfarb Email (None)	Y	
19.	2014.07.09 Alliance Second Amendment (Cowtown 2611 –2614 and 3176 - 3179)	Y	
20.	2014.07.09 Cowtown Third Amendment (Cowtown 2524 – 2527 and 3186 - 3189)	Y	
21.	2014.07.09 Cowtown Fourth Amendment (Cowtown 2615 – 2620 and 3180 - 3185)	Y	
22.	2014.07.09 Lake Arlington Fourth Amendment (Cowtown 2377 – 2388 and 3164 - 3175)	Y	
23.	2014.07.09 Lake Arlington Fifth Amendment (Cowtown 2607 – 2610 and 3190 - 3193)	Y	
24.	2014.07.14 Green Email (TGBR 2103-2131)	Y	
25.	2014.07.14 Green Email (TGBR 2132-2134)	Y	
26.	2014.07.28 Rupnow Email (TGBR 1566-1568)	Y	
27.	2014.07.29 Rupnow Email (TGBR 1572-1575)	Y	
28.	2014.07.30 Kyo Emails (TGBR 2092-2102)	Y	

#	Description	Admitted	PM
29.	2014.07.31 Baba Email (TGBR 1576-1579)	Y	
30.	2014.07.31 Baba Email (TGBR 1580-1592)	Y	
31.	2014.07.31 Baba Email (TGBR 1593-1598)	Y	
32.	2014.07.31 TG Written Consent (TGBR 1373-1555)	Y	
33.	2015.03.17 Motion to Consolidate BK Cases (None)	Y	
34.	2016.01.22 Bluestone Winning Bid (None)	Y	
35.	2016.01.22 Section 7.4(d) Rejected Contracts	Y	
36.	2016.01.22 Exhibit E Pipeline ROW	Y	
37.	2016.01.22 Exhibit G Cowtown Laterals	Y	
38.	2016.02.05 Motion to Reject (None)	Y	
39.	2016.03.08 Deneke Email 5.06 (Cowtown 5307 - 5310)	Y	
40.	2016.03.08 Redmond Email 7.57 (Cowtown 5321 - 5326)	Y	
41.	2016.03.08 Deneke Email 9.19 (Cowtown 5342 - 5344)	Y	
42.	2016.03.08 Deneke Email 10.47 (Cowtown 5358 - 5366)	Y	
43.	2016.03.09 Meeting Agenda (TGBR 1372)	Y	
44.	2016.03.09 TG Overview (TGBR 1365 - 1371)	Y	
45.	2016.03.09 TG Projects Website (Depo Ex. #34)	Y	
46.	2016.03.17 Redmond to Deneke (Cowtown 5895 – 5899)	Y	
47.	2016.04.06 Bluestone Agreement (Cowtown 226 – 523)	Y	
48.	2016.04.06 Cowtown Lateral Map (Cowtown 3031)	Y	

#	Description	Admitted	PM
49.	2016.04.06 Withdrawal of Notice to Reject (None)	Y	
50.	Withdrawn	W	
51.	Withdrawn	W	
52.	Withdrawn	W	
53.	2016.09.30 Cowntown Laterals Bill of Sale (Cowntown 524 – 533)	Y	
54.	2017.06.09 Chandra Report (None)	Y	
55.	2017.08.09 Supplemental Chandra Report (None)	Y	
56.	Section 7115 Definitions (None)	Y	
57.	Alliance Map (Cowntown 3028)	Y	
58.	Cowntown Map (Cowntown 3029)	Y	
59.	Lake Arlington Map (Cowntown 3030)	Y	
60.	Bluestone Consideration	Y	
61.	Cowntown Laterals to be Conveyed	Y	
62.	Cowntown Laterals Value	Y	
63.	Lift Gas Netting	Y	
64.	Average Fees	Y	
65.	Commodity Prices	Y	
66.	Cowntown System	Y	
67.	Entity List	Y	
68.	Timeline	Y	

#	Description	Admitted	PM
69.	T-4 Permit Description	Y	
70.	T4 Submission Partial Merge T06880 to T07642	Y	
70-A	T4 Permit T06880 with Highlights	Y	
71.	Withdrawn	W	
72.	Withdrawn	W	
73.	Cowtown's Cross-Designations of Deneke Deposition	Y	
74.	This number not used	N	
75.	This number not used	N	
76.	KWK Closing Agreement	Y	
77.	Bluestone Email re Closing Sequence	Y	

TG Barnett Exhibit List

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
1.	2016.11.29 RRC Tariff No. 20080 (Cowtown_TG) COWTOWN_002920-002921	NA	Y	N	8.22	
2.	2017.07.25 RRC Tariff No. 20080 (Cowtown_TG) COWTOWN_013819-20	NA	Y	N	8.22	
3.	2016.11.29 RRC Tariff No. 28738 (Cowtown_Bluestone) COWTOWN_002970-002971 &	NA	Y	N	8.22	
4.	2016.11.29 RRC Tariff No. 22499 (Alliance_TG) COWTOWN_002936-02937	NA	Y	N	8.22	
5.	2017.07.25 RRC Tariff No. 22499 (Alliance_TG) COWTOWN_0013817-18	NA	Y	N	8.22	
6.	2016.11.29 RRC Tariff No. 28682 (Alliance_Bluestone) COWTOWN_002966-002967 &	NA	Y	N	8.22	
7.	2016.11.29 RRC Tariff No. 21198 Lake Arlington_TG COWTOWN_002926-002927	NA	Y	N	8.22	
8.	2017.07.25 RRC Tariff No. 21198 Lake Arlington_TG COWTOWN_013821-22	NA	Y	N	8.22	
9.	2016.11.29 RRC Tariff No. 28719 (Lake Arlington_Bluestone) COWTOWN_002968-002969	NA	Y	N	8.22	
10.	2016.05.10 Bluestone T-4 Permit 08101 and 08260 (T-4/T-4B) transfer from Cowtown to Bluestone	NA	Y	N	8.22	
11.	2014.04.14 Cowtown NGL T-4C Permit 06879 (renewal form)	NA	Y	N	8.22	
12.	2015.03.00 Alliance T-4 Permit 08015 POPS	NA	Y	N	8.22	
13.	2015.03.00 Cowtown T-4 Permit 06880 POPS No Bates	NA	Y	N	8.22	
14.	2015.03.00 Cowtown T-4 Permit 07321 POPS (sales to etc)	NA	Y	N	8.22	
15.	2015.03.00 Lake Arlington T-4 Permit 07854 POPS	NA	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
16.	2017.02.15 Cowtown T-4 Permit 07643 renewal 2-16-17 No Bates	NA	Y	N	8.22	
17.	2015 RRC of Texas Transmission Annual Report (Cowtown Pipeline Partners, LP) No Bates	NA	Y	N	8.22	
18.	2016 RRC of Texas Transmission Annual Report (Cowtown Pipeline Partners, LP) No Bates	NA	Y	N	8.22	
19.	2016-2017 RRC of Texas Gas Utility Tax Reports (Cowtown) for Quarters Ending: March, June, September, December 2016 & March 2017 No Bates	NA	Y	N	8.22	
20.	Maps of lines to purchase M. Mitchell Depo Exh. 01 COWTOWN_003031	PM Waived	Y	N	8.22	
21.	2008.09.01 ANNEX F Cowtown Agreements TGBR_001389-1430	PM	WD	N		
22.	2008.09.01 GG Agreement bt Cowtown & Quicksilver re Cowtown w-amendments Cowtown_001239-2620	PM Waived	Y	N	8.22	
23.	2008.09.01 GG Agreement bt Cowtown & Quicksilver re Lake Arlington w-amendments COWTOWN_001181- 2610	PM Waived	Y	N	8.22	
24.	2009.01.01 ANNEX G Cowtown Old Amendments TGBR_001431-1445	PM Waived	Y	N	8.22	
25.	2009.12.01 GG Agreement bt Cowtown & Quicksilver re Alliance w-amendments Cowtown_001415-2614	PM Waived	Y	N	8.22	
26.	2013.08.01 GGA ORI, TG Barnett and CPPLP(Lake Arlington)(AmNo4 to A&R) COWTOWN_002377-2388	PM	WD	N		
27.	2014.01.03 Map: Cowtown West Johnson County System ArchE1 COWTOWN_003029 (oversized)	PM Waived	Y	N	8.22	
28.	2014.01.01 Cowtown Third Amendment fully executed TGBR_001536-1539	PM	WD	N		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
29.	2014.05.01 Amended & Restated Gas Gathering Agreement bt Texas Midstream Gas Services & Cowtown Pipeline Partners, LP (Barnett) COWTOWN_002598-2606	PM No Waiver File Confidential	Y	N	8.22	
30.	2014.07.09 Cowtown Fourth Amendment fully executed TGBR_001530-1535	PM	WD	N		
31.	2014.08.18 Cowtown Quicksilver 3rd Contract Amendments Brief July 2014 COWTOWN_003347-50	PM Waived	Y	N	9.18	
32.	2014.08.18 Cowtown Quicksilver 4th Contract Amendment Brief July 2014 COWTOWN_003351-56	PM Waived	Y	N	9.18	
33.	2016.04.01 GGA Cowtown and Bluestone (Lake Arlington) Cowtown_000461-522_REPLACE (last pg omitted)	PM Bluestone waiver	Y	N	8.22	
34.	2016.04.01 GGA-Bluestone and CPPLP and CGPPLP(Cowtown) Cowtown_000001-148	PM Bluestone waiver	Y	N	8.22	
35.	2016.04.01 GGA-Bluestone and CPPLP (Alliance) Cowtown_000149-225	PM Bluestone waiver	Y	N	8.22	
36.	2017.04.28 RRC Map: T-4_06879 CPP Johnson Somervell No Bates	NA	Y	N	8.22	
37.	2017.04.28 RRC Map: T-4_06880 CPP Hood Johnson Somervell Bosque No Bates	NA	Y	N	8.22	
38.	2017.04.28 RRC Map: T-4_07321 CGasProcessing Hood No Bates	NA	Y	N	8.22	
39.	2017.04.28 RRC Map: T-4_07643 CPP Hood Johnson No Bates	NA	Y	N	8.22	
40.	2017.04.28 RRC Map: T-4_07855 CP Hill Johnson No Bates	NA	WD	Y		
41.	2017.04.28 RRC Map: T-4_08015 CPP Denton Tarrant No Bates	NA	Y	N	8.22	
42.	2013.08.01 Gas Gathering Agreement bt Texas Midstream Gas Services & Cowtown Pipeline Partners, LP (Barnett) COWTOWN 002389-97	PM No Waiver File Confidential	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
43.	04.14.2016 Alliance Area Gathering System – Bluestone Contract Revenue Brief M. Mitchell Depo Exh. 03 COWTOWN_003361-COWTOWN_003363	PM Bluestone waiver	Y	N	8.22	
44.	2013.11.06 Map: Alliance System Map ArchE1 COWTOWN_003028 (oversized)	PM Waived	Y	N	8.22	
45.	2009.12.01 ANNEX H Alliance Agreement with Old Amendments TGBR_001446-1487	PM Waived	Y	N	8.22	
46.	2014.07.09 Alliance Second Amendment fully executed TGBR_001385-88	PM	WD	N		
47.	2014.08.18 Alliance Area Quicksilver Contract Amendment dated 7-9-2014 Brief COWTOWN_003341-43	PM Waived	Y	N	8.22	
48.	No Date: Map: Crestwood Lake Arlington System COWTOWN_003030 (oversized)	PM Waived	Y	N	8.22	
49.	2008.09.01 ANNEX I Lake Arlington Agreement with Old Amendments TGBR_001488-1529	PM	WD	N		
50.	2014.07.09 Lake Arlington Fifth Amendment fully executed TGBR_001540-43	PM	WD	N		
51.	2014.07.09 Lake Arlington Fourth Amendment fully executed TGBR_001544-1555	PM	WD	N		
52.	2017.04.28 Map: T-4_08260 Bluestone Denton Tarrant No Bates	NA	Y	N	8.22	
53.	04.06.2016 Letter Agreement to Gathering and Processing Agreements bt Bluestone and Crestwood M. Mitchell Depo Exh. 02 COWTOWN_000226-234	PM Bluestone waiver	Y	N	8.22	
54.	07.31.2014 Email string ending from Kyo Baba to Cliff Rupnow re Lake Arlington Fourth Amendment K. Baba Depo Exh. 40 TGBR_001580-TGBR_001592	PM Waived	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
55.	2014.07.14 Email string ending from Cindy Green to Kyo Baba, Patrick Wells, tgbr re Crestwood Amendments K. Baba Depo Exh. 43 TGBR_002132–TGBR_002134	PM Waived	Y	N	8.22	
56.	2014.07.14 Email string ending from Cindy Green to Patrick Wells, tgbr re Crestwood Amendments K. Baba Depo Exh. 42 TGBR_002103–TGBR_002131	PM Waived	Y	N	8.22	
57.	2014.07.28 E-mail discussions (strings) re QRI Crestwood amendment (Cliff: Question about Cowtown 4th & Alliance 4th) <ul style="list-style-type: none"> • Attachments: Alliance 2nd Amendment fully executed • Lake Arlington 5th Amendment fully executed • Lake Arlington 4th Amendment fully executed TGBR_001556-1598	PM Waived	Y	N	8.22	
58.	2014.07.28 Email string ending from Cliff Rupnow to Kyo Baba re Stan: Question about “Cowtown 4th” K. Baba Depo Exh. 47 TGBR_001566–TGBR_001568	PM Waived	Y	N	8.22	
59.	2014.07.29 Email string ending from C. Rupnow to Kyo Baba & Stan Page re Cliff: Question about “Alliance 2nd” K. Baba Depo Exh. 48 TGBR_001572–TGBR_001575	PM Waived	Y	N	8.22	
60.	2014.07.30 Add’l e-mail discussion (strings) re QRI Crestwood Amendment & Lake Arlington <ul style="list-style-type: none"> • Attachments: Alliance 2nd Amendment • Cowtown 4th Amendment • Cowtown 3rd Amendment • Lake Arlington 5th Amendment • Lake Arlington 4th Amendment TGBR_002092-2134	PM Waived	Y	N	8.22	
61.	2014.07.30 Email string ending from Cindy Green to Kyo Baba re Lake Arlington 4th (reimbursing for gas lift equipment & facilities is standard practice) K. Baba Depo Exh. 44 TGBR_002095–TGBR_002096	PM Waived	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
62.	2014.07.30 Email string ending from Cindy Green to Kyo Baba re Lake Arlington 4th (Gas lift at the Village Creek) K. Baba Depo Exh. 45 TGBR_002097–TGBR_002099	PM Waived	Y	N	8.22	
63.	2014.07.30 Email string ending from Cindy Green to Kyo Baba re Lake Arlington 4th (Contractual agreement w/Cowtown not Access) K. Baba Depo Exh. 46 TGBR_002100–TGBR_002102	PM Waived	Y	N	8.22	
64.	2014.07.31 Email string ending from Kyo Baba to Cliff Rupnow re Alliance 2nd Amendment K. Baba Depo Exh. 39 TGBR_001576–TGBR_001579	PM Waived	Y	N	8.22	
65.	2014.07.31 Email string ending from Kyo Baba to Cliff Rupnow re Lake Arlington Fifth Amendment K. Baba Depo Exh. 41 TGBR_001593–TGBR_001598	PM Waived	Y	N	8.22	
66.	2016. 02.26 Email from Redmond to Deneke re Term Sheet-CMLP-Bluestone Final 2-26-2016 redline (w/attachment) H. Deneke V1 Depo Exh. 19 COWTOWN_005154	PM Bluestone waiver	Y	N	8.22	
67.	2016. 03.08 Email Deneke to Redmond re 20160308 0900 Term Sheet – Bluestone Counterproposal H. Deneke V2 Depo Exh. 32 COWTOWN_005333-34	PM Bluestone waiver	Y	N	8.22	
68.	2016. 03.08 Email from Redmond to Deneke re 20160308 0900 Term Sheet-CMLP-Bluestone Counterproposal (w/attachment) H. Deneke V1 Depo Exh. 22 COWTOWN_005307–COWTOWN_005310	PM Bluestone waiver	Y	N	8.22	
69.	2016. 03.08 Email Redmond to Deneke re Revised Term Sheets H. Deneke V2 Depo Exh. 33 COWTOWN_005375	PM Bluestone waiver	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
70.	2016.01.27 Email from Redmond to Deneke re KWK Auction (attach: non-binding term sheet for potential restructure) H. Deneke V1 Depo Exh. 16 COWTOWN_003381–COWTOWN_003390	PM Bluestone waiver	Y	N	8.22	
71.	2016.02.15 Email from Redmond to Deneke re Volume Forecasts (<i>sic</i>) (proposal to mark up the agreements to reflect new terms) H. Deneke V1 Depo Exh. 18 COWTOWN_005023	PM Bluestone waiver	Y	N	8.22	
72.	2016.03.08 Email Deneke to Redmond re FW: Revised Term Sheets – CONFIDENTIAL JOA Invoices for February 2016.pdf COWTOWN_005379-86	PM Bluestone waiver	Y	N	8.22	
73.	2016.03.08 Email response from Deneke to Redmond re 20160308 0900 Term Sheet-CMLP-Bluestone Counterproposal H. Deneke V1 Depo Exh. 23 COWTOWN_005321–COWTOWN_005326	PM Bluestone waiver	Y	N	8.22	
74.	2016.03.21 Email Deneke to Redmond re Fwd: Cowtown Redline: Current versus Bluestone <ul style="list-style-type: none"> Cowtown redline 20160320 1720 (CW) v 20160318 1604 (BS).docx Cowtown redline 20160320 1720 (CW) v 20160318 1604 (BS).pdf COWTOWN_005983-6166 	PM Bluestone waiver	Y	N	8.22	
75.	2016.03.22 Email Lopez to Redmond re Confidentiality Agreement <ul style="list-style-type: none"> Attachment: Confidentiality Agreement for LOI to KWK.pdf COWTOWN_010445-447	PM Bluestone waiver	Y	N	8.22	
76.	2016.03.23 Email Mitchell to Redmond re Side Letter <ul style="list-style-type: none"> 20160322 2335 Side Letter Agreements.docx COWTOWN_006437-6450	PM Bluestone waiver	Y	N	8.22	
77.	2016.05.11 VE Letter Cochran to Crestwood, Deneke re request for Crestwood/Bluestone agreements TGBR_002090-91	PM	WD	Y		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
78.	2016.06.22 Email Baba to Deneke re TG Barnett Resources, LP Attachment: 20160519 1000 408 Letter executed.pdf TGBR_001721-26	PM	WD	Y		
79.	2016.06.22 Email Kyo to Deneke re TG Barnett Resources LP Cowtown_003269-3276	PM	WD	Y		
80.	2016.06.26 Email from M. Mitchell to Kyo re TG Barnett Resources, LP (restricting of our gathering & processing agreements) H. Deneke V1 Depo Exh. 12 COWTOWN_003277 COWTOWN_003280	PM	WD	Y		
81.	2016.06.26 Email Mitchell to Baba re TG Barnett Resources, LP (exploring restructuring of gathering & processing agreements) TGBR_001744-48	PM	WD	Y		
82.	2016.06.26 Email string from Mark Mitchell to Kyobaba re TG Barnett Resources LP "...exploring the restructuring of our gathering and processing agreements..." M. Mitchell Depo Exh. 04 COWTOWN_003277 COWTOWN_003280	PM	WD	Y		
83.	2016.06.30 Email Baba to Mitchell re TG Barnett Resources, LP (confirming 2:30 meeting) TGBR_001772-77	PM	WD	Y		
84.	2016.06.30 EMail fr Kyo to Deneke re TG Barnett Resources LP No attach. COWTOWN_003301-3308	PM	WD	Y		
85.	2016.07.06 VE Letter Cochran to Crestwood, Deneke re request & follow-up re gathering and processing arrangements TGBR_002087-89	PM	WD	Y		
86.	2016.07.11 Email Mitchell to Baba re TG Barnett Resources, LP (confirming receipt of 7.6.2016 ltr) TGBR_001786-87	PM	WD	Y		
87.	2016.08.23 Email Baba to Mitchell re Bluestone Redacted Contracts TGBR_002081-82	PM	WD	Y		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
88.	2016.08.24 Email Mitchell to Baba re Bluestone Redacted Contracts (response) TGBR_002083-84	PM	WD	¥		
89.	2017.08.04 Email from Mark Mitchell to Kyo Baba re Bluestone Redacted Contracts K. Baba Depo Exh. 50 TGBR_001788 TGBR_002080	PM	WD	¥		
90.	05.28.2017 Confidential Expert Report of Jane K. Kidd • w/Exhibit A & B (CV & Materials Reviewed) J. Kidd Depo Exh. 06 TGBR_001335-TGBR_001362	PM Bluestone waiver	Y Ltd	Y	8.22	
91.	07.29.2002 Texas Administrative Code Title 16. Economic Regulation Section 7.115 Definitions “Currentness” J. Kidd Depo Exh. 07 No Bates	NA	Y	N	8.22	
92.	2017.05.28 Work product excel/tables of J. Kidd re Estimated Rate Difference J. Kidd Depo Exh. 08 TGBR_001363	PM	WD	¥		
93.	2017.08.14 Confidential Supplemental Expert Report of Jane K. Kidd • w/Exhibit A (Add'l Materials Reviewed) TGBR_002153-61	PM Bluestone waiver	Y Ltd	Y	8.22	
94.	2017.08.14 Work Product excel/tables of J. Kidd re Estimated Rate Difference TGBR_002162-65	PM Bluestone waiver	Y Ltd	Y	8.22	
95.	2016.04.06 Press Release Crestwood-Enters-into-10-Year-Commercial-Agreement-with-BlueStone Kidd Expert Rpt. FN30	NA	Y Ltd	N	8.22	
96.	2016.05.30 Press Release Crestwood-Q1-2016Financial-and-Operating-Results TGBR_000014-28	NA	Y Ltd	N	8.22	
97.	2017.05.02 Crestwood Equity Partners' Quarter1 2017 financial result & earnings call TGBR_000678	NA	Y	N	8.22	
98.	2016.04 Gross Margin Report Cowtown MCF 0616 Rerun COWTOWN_008429-58	PM	WD	¥		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
99.	2016.05 Gross Processor Margin Cowtown MCF COWTOWN_008519-50	PM	WD	¥		
100.	2016.06 Gross Margin Report Cowtown MCF-0816 Aect Rerun COWTOWN_008627-70	PM	WD	¥		
101.	2016.07 Gross Margin Report Cowtown MCF COWTOWN_008759-8802	PM	WD	¥		
102.	2016.08 Gross Margin Report Cowtown MCF COWTOWN_008847-8890	PM	WD	¥		
103.	2016.09 Gross Margin Report Cowtown MCF COWTOWN_008935-8978	PM	WD	¥		
104.	2016.10 Gross Margin Report Cowtown MCF COWTOWN_009023-9066	PM	WD	¥		
105.	2016.11 Gross Margin Report Cowtown MCF COWTOWN_009111-9154	PM	WD	¥		
106.	2016.12 Gross Margin Report Cowtown MCF COWTOWN_009199-9242	PM	WD	¥		
107.	2017.01 Gross Margin Report Cowtown MCF COWTOWN_008151-8192	PM	WD	¥		
108.	2017.02 Gross Margin Report Cowtown MCF COWTOWN_009299-9304	PM	WD	¥		
109.	2017.03 Gross Margin Report Cowtown MCF COWTOWN_008315-8356	PM	WD	¥		
110.	2016.04 Gross Margin Report Cowtown MMBTU-0616 Rerun COWTOWN_008459-8488	PM	WD	¥		
111.	2016.05 Gross Processor Margin Cowtown MMBTU COWTOWN_008551-82	PM	WD	¥		
112.	2016.06 Gross Margin Report Cowtown MMBTU-0816 Aect Rerun COWTOWN_008671-8714	PM	WD	¥		
113.	2016.07 Gross Processor Margin Cowtown MMBTU COWTOWN_008803-46	PM	WD	¥		
114.	2016.08 Gross Processor Margin Cowtown MMBTU COWTOWN_008891-8934	PM	WD	¥		
115.	2016.09 Gross Processor Margin Cowtown MMBTU COWTOWN_008979-9022	PM	WD	¥		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
116.	2016.10 Gross Processor Margin Cowtown MMBTU COWTOWN_009067-9910	PM	WD	¥		
117.	2016.11 Gross Processor Margin Cowtown MMBTU COWTOWN_009155-9198	PM	WD	¥		
118.	2016.12 Gross Processor Margin Cowtown MMBTU COWTOWN_009243-86	PM	WD	¥		
119.	2017.01 Gross Margin Report Cowtown MMBTU COWTOWN_008193-8234	PM	WD	¥		
120.	2017.02 Gross Margin Report Cowtown MMBTU COWTOWN_008275-8314	PM	WD	¥		
121.	2017.03 Gross Margin Report Cowtown MMBTU H. Deneke V1 Depo Exh. 13 COWTOWN_008357-98	PM	WD	¥		
122.	2016.04 Gross Margin Report Alliance MCF 0616 Rerun COWTOWN_007647-70	PM	WD	¥		
123.	2016.05 Gross Processor Margin Alliance MCF COWTOWN_007719-42	PM	WD	¥		
124.	2016.06 Gross Margin Report Alliance MCF 0816 Acet Rerun COWTOWN_007791-7814	PM	WD	¥		
125.	2016.07 Gross Margin Report Alliance MCF COWTOWN_007863-86	PM	WD	¥		
126.	2016.08 Gross Margin Report Alliance MCF COWTOWN_007911-34	PM	WD	¥		
127.	2016.09 Gross Margin Report Alliance MCF COWTOWN_007959-82	PM	WD	¥		
128.	2016.10 Gross Margin Report Alliance MCF COWTOWN_008007-30	PM	WD	¥		
129.	2016.11 Gross Margin Report Alliance MCF COWTOWN_008055-78	PM	WD	¥		
130.	2016.12 Gross Margin Report Alliance MCF COWTOWN_008103-26	PM	WD	¥		
131.	2017.01 Gross Margin Report Alliance MCF COWTOWN_007479-7502	PM	WD	¥		
132.	2017.02 Gross Margin Report Alliance MCF COWTOWN_007527-50	PM	WD	¥		
133.	2017.03 Gross Margin Report Alliance MCF COWTOWN_007575-98	PM	WD	¥		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
134.	2016.04 Gross Margin Report Alliance MMBTU-0616 Rerun COWTOWN_007695-7718	PM	WD	¥		
135.	2016.05 Gross Processor Margin Alliance MMBTU COWTOWN_007743-66	PM	WD	¥		
136.	2016.06 Gross Margin Report Alliance MMBTU-0816 Acet Rerun COWTOWN_007839-62	PM	WD	¥		
137.	2016.07 Gross Processor Margin Alliance MMBTU COWTOWN_007887-7910	PM	WD	¥		
138.	2016.08 Gross Processor Margin Alliance MMBTU COWTOWN_007935-58	PM	WD	¥		
139.	2016.09 Gross Processor Margin Alliance MMBTU COWTOWN_007983-8006	PM	WD	¥		
140.	2016.10 Gross Processor Margin Alliance MMBTU COWTOWN_008031-54	PM	WD	¥		
141.	2016.11 Gross Processor Margin Alliance MMBTU COWTOWN_008079-8102	PM	WD	¥		
142.	2016.12 Gross Processor Margin Alliance MMBTU COWTOWN_008127-50	PM	WD	¥		
143.	2017.01 Gross Margin Report Alliance MMBTU COWTOWN_007503-26	PM	WD	¥		
144.	2017.02 Gross Margin Report Alliance MMBTU COWTOWN_007551-74	PM	WD	¥		
145.	2017.03 Gross Margin Report Alliance MMBTU COWTOWN_007599-7622	PM	WD	¥		
146.	2016.04 Gross Margin Report Lake Arlington MCF-0616 Rerun COWTOWN_009329-34	PM	WD	¥		
147.	2016.05 Gross Processor Margin Lake Arlington MCF COWTOWN_009347-50	PM	WD	¥		
148.	2016.06 Gross Margin Report Lake Arlington MCF-0816 Acet Rerun COWTOWN_009361-66	PM	WD	¥		
149.	2016.07 Gross Margin Report Lake Arlington MCF COWTOWN_009379-82	PM	WD	¥		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
150.	2016.08 Gross Margin Report Lake Arlington MCF COWTOWN_009387-92	PM	WD	Y		
151.	2016.09 Gross Margin Report Lake Arlington MCF COWTOWN_009399-9404	PM	WD	Y		
152.	2016.10 Gross Margin Report Lake Arlington MCF COWTOWN_009411-16	PM	WD	Y		
153.	2016.11 Gross Margin Report Lake Arlington MCF COWTOWN_009423-28	PM	WD	Y		
154.	2016.12 Gross Margin Report Lake Arlington MCF COWTOWN_009435-40	PM	WD	Y		
155.	2017.01 Gross Margin Report Lake Arlington MCF COWTOWN_009287-92	PM	WD	Y		
156.	2017.02 Gross Margin Report Lake Arlington MCF COWTOWN_009299-9304	PM	WD	Y		
157.	2017.03 Gross Margin Report Lake Arlington MCF COWTOWN_009311-16	PM	WD	Y		
158.	2016.04 Gross Margin Report Lake Arlington MMBTU0616 Rerun COWTOWN_009341-46	PM	WD	Y		
159.	2016.05 Gross Processor Margin Lake Arlington- MMBTU COWTOWN_009351-54	PM	WD	Y		
160.	2016.06 Gross Margin Report Lake Arlington MMBTU0816 Acct Rerun COWTOWN_009373-78	PM	WD	Y		
161.	2016.07 Gross Processor Margin Lake Arlington- MMBTU COWTOWN_009383-86	PM	WD	Y		
162.	2016.08 Gross Processor Margin Lake Arlington- MMBTU COWTOWN_009393-98	PM	WD	Y		
163.	2016.09 Gross Processor Margin Lake Arlington- MMBTU COWTOWN_009405-10	PM	WD	Y		
164.	2016.10 Gross Processor Margin Lake Arlington- MMBTU COWTOWN_009417-22	PM	WD	Y		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
165.	2016.11 Gross Processor Margin Lake Arlington—MMBTU COWTOWN_009429-34	PM	WD	¥		
166.	2016.12 Gross Processor Margin Lake Arlington—MMBTU COWTOWN_009441-46	PM	WD	¥		
167.	2017.01 Gross Margin Report Lake Arlington MMBTU COWTOWN_009293-98	PM	WD	¥		
168.	2017.02 Gross Margin Report Lake Arlington MMBTU COWTOWN_009305-10	PM	WD	¥		
169.	2017.03 Gross Margin Report Lake Arlington MMBTU COWTOWN_009317-22	PM	WD	¥		
170.	2017.05.00 Processor Gross Margin Settlement Report No Bates (informally served)	NA	WD	¥		
171.	2016.03.18 Email Deneke to Redmond re FW: Subject to Rule 408: Follow-up CONFIDENTIAL • Attachment: Pipeline Operating and Licensing Agreement for the Cowtown Laterals COWTOWN_005909-5943	PM No Waiver File Confidential	Y	N	8.22	
172.	2016.10.15 Excerpt: Cowtown Laterals FA Detail Formatted COWTOWN_013816	PM Waived	Y	N	8.22	
173.	2016.10.15 Excerpt: Cowtown Laterals FA Detail Original COWTOWN_013816	PM Waived	Y	N	8.22	
174.	2009.09.01 Pipeline Operating and License Agreement for the Cowtown Laterals COWTOWN_013823-32	PM Bluestone waiver	Y	N	8.22	
175.	201304.30 Assignment, Bill of Sale and Conveyance bt Quicksilver Resources, Inc. and TG Barnett Resources LP K. Baba Depo Exh. 35 TGBR_001001–TGBR_001012	PM Waived	Y	N	8.22	
176.	2016.09.30 Bill of Sale Assignment and Assumption Agreement Bluestone_NTU to CPPLP (Cowtown Laterals) (09-30-2016) COWTOWN_009961-9970	PM Bluestone waiver	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
177.	2015.09 - 2016.08 Cowtown Laterals 3rd Party Gathering Fees_REDACTED {REPLACE w/redacted version) A. Chandra, PE Depo Exh. 25 COWTOWN_009971	PM Waived File Redacted	Y	N	8.22	
178.	2012.11.29 HIS Global Inc Presentation: Due Diligence Analysis of the Quicksilver Barnett Shale Play Assets K. Baba Depo Exh. 38 TGBR_002135– TGBR_002140_ (HS waived)	PM No Waiver File Confidential	Y	N	8.22	
179.	2013.03.04 Ernst & Young Presentation: Project Rain: Red Flag Report Draft-Reliance Restricted K. Baba Depo Exh. 37 TGBR_002147–TGBR_002150_ (HS waived)	PM No Waiver File Confidential	Y	N	8.22	
180.	2013.03.15 Google Translate -FINAL_20130313 Investment evaluation report (management meeting) TGBR_002141-46	HSPM No Waiver File Confidential	Y	N	8.22	
181.	2014.07.31 Written Consent of the General Partner of TG Barnett Resources LP K. Baba Depo Exh. 36 TGBR_001373–TGBR_001384	PM ALJ ruled as Non-Confidential	Y	N	8.22	
182.	2015.12.00 Powerpoint: Bluestone and Crestwood NonBinding Discussion Points H. Deneke V1 Depo Exh. 09 No Bates / Native Production 5.26 (Crestwood_v3)	HSPM Bluestone waiver	Y	N	8.22	
183.	2016 Simplified Contract Revisions_v01 H. Deneke V2 Depo Exh. 27 COWTOWN_010025	HSPM No Waiver File Confidential	Y	N	8.22	
184.	2016.01.29 Crestwood Proposal Revised Fee Impact (Illustration of CEQP's Proposed Fee Reductions on an Equivalent \$/MMBtu Basis) H. Deneke V1 Depo Exh. 15 No Bates / Native Production 5.26	HSPM No Waiver File Confidential	Y	N	8.22	
185.	2016.02.05 Docket No. 1128 - Debtors' Motion for an Order Authorizing and Approving Rejection (C.A. 1515085) No Bates	NA	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
186.	2016.02.12 Shut-In Volume Analysis_v02 H. Deneke V1 Depo Exh. 17 No Bates / Native Production 5.26	HSPM No Waiver File Confidential	Y	N	8.22	
187.	2016.02.12 Simplified Contract Revisions_v01 (Illustration of CEQP's Proposed Fee Reductions on an Equivalent \$/MMBtu Basis) H. Deneke V1 Depo Exh. 14 No Bates / Native Production 5.26	HSPM No Waiver File Confidential	Y	N	8.22	
188.	2016.02.24 Annualized Impact of Rate Revision H. Deneke V2 Depo Exh. 26 COWTOWN_010042	HSPM No Waiver File Confidential	Y	N	8.22	
189.	2016.02.25 0100 CMLP – Bluestone Proposal Term Sheet H. Deneke V2 Depo Exh. 28 COWTOWN_010046	HSPM Bluestone waiver	Y	N	8.22	
190.	2016.02.26 Term Sheet – CMLP-Bluestone Final 2-26-2016 CMLP redline H. Deneke V1 Depo Exh. 20 No Bates / Native Production 5.26	HSPM Bluestone waiver	Y	N	8.22	
191.	2016.03.02 Docket No. 1214 - Bluestone's Reply Brief in Support of Crestwood Contract Rejection (C.A. 15-15085) No Bates	NA	Y	N	8.22	
192.	2016.03.02 Revised Bid Detailed Comparison (No T&F) (Revenue Impacts of Revised Proposals) H. Deneke V1 Depo Exh. 21 No Bates / Native Production 5.26	HSPM No Waiver File Confidential	Y	N	8.22	
193.	2016.03.03 Revised Bid Detailed Comparison H. Deneke V2 Depo Exh. 29 COWTOWN_010055	HSPM No Waiver File Confidential	Y	N	8.22	
194.	2016.03.04 Transcript (excerpts) of Hearing Before the Hon. Laurie Selber Silverstein In Re: Quicksilver Resources, Inc. (C.A. 15-15085) No Bates	NA	Y	N	8.22	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
195.	2016.03.09 TG Presentation to Crestwood H. Deneke V2 Depo Exh. 31 TGBR_001365	PM Waived	Y	N	8.22	
196.	2016.03.09 Tokyo Gas Crestwood Meeting Agenda H. Deneke V2 Depo Exh. 30 TGBR_001372	PM Waived	Y	N	8.22	
197.	2016.03.16 CMLP - Bluestone Executed LOI COWTOWN_010058-61	HSPM Bluestone waiver	Y	N	8.22	
198.	2016.03.18 Barnett 5-Year Forecast Analysis COWTOWN_010108-21	HSPM No Waiver File Confidential	Y	N	8.22	
199.	2016.05.03 Deposition Transcript: Darrell Hagerman excerpts re Qualifying Wells No Bates	PM	WD	Y		
200.	2016.05.27 – 2017.03.25 Crestwood Invoices to Bluestone re April 2016 – February 2017 Production D. Hagerman Depo Exh. 05 COWTOWN_003318-COWTOWN_003337	PM Bluestone waiver	Y	N	8.22	
201.	2017 Bluestone - TG Volumes v1 COWTOWN_009960	PM No Waiver File Confidential	Y	N	8.22	
202.	2017.03.14 Cowtown Gas Objections and Responses to TG Barnett_s Second RFD, RFP, RFA and Regs No Bates_Redacted form	NA	WD	Y		
203.	2017.03.14 Cowtown Pipeline's Objections and Responses to TG Barnett_s Second RFD, RFP, RFA and Regs No Bates_Redacted form	NA	WD	Y		
204.	2017.03.31 Barnett Assets Contract Summary COWTOWN_003360 PM (native) (oversized)	PM	WD	Y		
204-A	2017.03.31 Barnett Assets Contract Summary COWTOWN_003360 PM (native) (oversized) (redacted)	PM Bluestone waiver	Y	N	9.19	

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
205.	2017.06.28 TG Barnett Resources LP's 1st Amended Objections and Responses to Cowtown's RFD, RFA, ROGS, and RFP K. Baba Depo Exh. 49 No Bates	PM	WD	Y		
206.	2017.06.28 Website excerpt: TGAmerica.com - Projects K. Baba Depo Exh. 34 No Bates	NA	Y	N	8.22	
207.	2017.08.08 BlueStone_P-5 – RRC Operator Query No Bates	NA	Y	N	8.22	
208.	2017.08.08 Cowtown Gas Processing Partner P-5 – RRC Operator Query No Bates	NA	Y	N	8.22	
209.	2017.08.08 Cowtown Pipeline Partners P-5 – RRC Operator Query No Bates	NA	Y	N	8.22	
210.	2015.02.15 Crestwood v. BlueStone Volume Comparison_v02 <ul style="list-style-type: none"> Cowtown Alliance Lake Arlington Deneke Depo Exh. 10 05.26 Native Production	HSPM No Waiver File Confidential	Y	N	8.22	
211.	2016.01.27 0100 CMLP - Bluestone Proposed Term Sheet Deneke Depo Exh. 11 05.26 Native Production	PM Bluestone waiver	Y	N	8.22	
212.	2016.03.08 Deneke to Redmond re Cowtown WJC System Map (w/map attachment) BlueStone_0001-0002	PM Bluestone waiver	Y	N	8.22	
213.	2016.07.19 Papke to Rowan et al re Bluestone QS book values of assets BlueStone_0003-0004	NA	WD	Y		
214.	2016.07.19 Perryman to Lafluer, Dullea re QS Lateral length BlueStone_0005	NA	WD	Y		
215.	2016.07.18 Gibson to Rowan, Redmond re KWK values BlueStone_0006-0008	NA	WD	Y		
216.	2016.07.19 Papke to Rowan re QS Lateral Length BlueStone_0009	NA	WD	Y		

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
217.	2016.07.19 Perryman to Rowan re QS Lateral length BlueStone_0010	NA	WD	Y		
218.	2016.07.19 Papke to Rowan re QS Lateral length BlueStone_0011	NA	WD	Y		
219.	2014.10.13 Crestwood News Release: Crestwood Midstream Partners Provides Third Quarter 2014 Operational Update & Schedules Earnings Release Date NA	NA	Y	N	8.22	
220.	2017.07.28 Cowtown's Objections and Response to TG Barnett's Fifth Request for Interrogatories and Production No Bates_Redacted form	NA	WD	Y		
221.	2017.08.08 Cowtown's Amended Objections and Response to TG Barnett's Fifth Request for Admissions No Bates_Redacted form	NA	WD	Y		
222.	Demonstrative: Key Entities and Affiliates	NA	Y	N	8.22	
223.	Demonstrative: Key Entities and Players	NA	Y	Y		9.18
224.	Demonstrative: Timeline	NA	Y	Y		9.18
225.	Demonstrative: 2016 Revenue per MMBtu from Cowtown Pipeline Partners L.P.'s RRC Annual report – 2016	NA	Y	Y		9.18
226.	Demonstrative: Comparison of Volume and Revenues from Cowtown Pipeline Partners L.P.'s RRC Annual Report 2016_VolRev	NA	Y	Y		9.18
227.	Demonstrative: Similarly-Situated Shippers Table • This is a working exhibit; updated as of: 2017.09.25	NA	Y	Y	9.21 ¹	
228.	Demonstrative: 2016.04–2020.12 TGBR Price Differential Alliance Gathering Rates with Resulting Dollar Impact	PM Bluestone waiver	Y	N	8.22	
229.	Demonstrative: 2016.04-2020.12 TGBR Price Differential Cowtown Combined Gathering, Compression and Processing Rates with Resulting Dollar Impact	PM Bluestone waiver	Y	N	8.22	
230.	Demonstrative: 2016.04-2020.12 TGBR Price Differential Lake Arlington Gathering Rates with Resulting Dollar Impact	PM Bluestone waiver	Y	N	8.22	

¹ Admitted subject to review; re-admitted 10.13.2017 with TG edits, and footnote.

NO.	DESCRIPTION	PM or HSPM	OFFER	OBJ.	DATE ADMIT	DATE N/ADMIT
231.	Demonstrative: Tariff-Contract Cross-Walk Cowtown, Alliance and Lake Arlington Gathering Systems	PM Bluestone waiver	Y	N	9.18	
232.	Demonstrative: Systems Map	NA	Y	N	8.22	
233.	2017.06.07 & 2017.06.21 Transcript of Heath Deneke Video Clips	PM Bluestone waiver	Y	N	8.23	
234.	2017.09.01 Service Letter re Affidavit for Authentication of Business Records executed by Kenneth Gibson, VP of Land for Bluestone Natural Resources II, LLC (dated 8.28.2017) • w/attachments: Bluestone_0001-11	PM Bluestone waiver	Y	Y	9.21	
235.	2017.09.12 Crestwood Website Excerpts re Operations – Gathering & Processing Barnett Map	NA	Y	N	9.21	
236.	Comparison of Gathering Rates and Gas Prices	PM Waived	Y	Y		9.21
237.	Required Commodity Prices to Balance Rates	PM Waived	Y	Y		9.21
238.	Demonstrative: Comparison of Claimed BlueStone Consideration with Contracts and Tariffs	NA	Y	N	9.21	

Yellow highlight reflects no waiver of confidentiality by Cowtown
Blue highlight reflects no waiver of confidentiality by TG Barnett

Proposal for Decision

GUD No. 10555

ATTACHMENT 2

(Proposed Final Order)

RAILROAD COMMISSION OF TEXAS

COMPLAINT OF TG BARNETT
RESOURCES LP AGAINST COWTOWN
PIPELINE PARTNERS L.P. AND
COWTOWN GAS PROCESSING PTRS
L.P. FOR DISCRIMINATION IN THE
TAKING, TRANSPORTATION, AND
PROCESSING OF GAS, AND REQUEST
FOR THE COMMISSION TO SET JUST
AND REASONABLE RATES

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GAS UTILITIES DOCKET

NO. 10555

PROPOSED FINAL 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, *et seq.* (Vernon 2008 & Supp. 2015). The Railroad Commission of Texas ("Commission") adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

General

1. TG Barnett Resources LP ("TG Barnett") filed a discrimination complaint with the Commission against Cowtown Pipeline Partners L.P. and Cowtown Gas Processing Partners L.P. (collectively, "Cowtown") alleging discrimination in the taking, transporting, and processing of gas and requested the Commission to set just and reasonable rates.
2. TG Barnett owns gas that is produced, gathered, processed, transported, and shipped in and through three gas gathering systems located in the Barnett Shale, Newark East Field ("Barnett Shale") producing basin in North Texas.
3. The three gas gathering systems, which are owned by Respondents Cowtown and are the subject of this complaint, are the Alliance, Lake Arlington, and Cowtown Gas Gathering Systems.
4. TG Barnett alleges Cowtown and its affiliates collect rates, fees, and charges that are discriminatory with respect to similarly situated shippers, specifically between TG Barnett and BlueStone Natural Resources, LLC ("BlueStone"), and that those rates are not just and reasonable and are in excess of market-based rates.

The Parties

5. Complainant TG Barnett, a subsidiary of Tokyo Gas Company, Ltd, is a non-operating working interest owner of wells in the Barnett Shale Field in Denton, Hill, Hood, Johnson, Parker, Somervell, and Tarrant Counties. As a non-operator, TG Barnett does not have a Commission P-5 permit.
6. Crestwood Midstream Partners LP ("Crestwood") is the parent company of Respondents Cowtown Pipeline Partners L.P. ("Cowtown Pipeline"), a gas utility, and Cowtown Gas Processing Partners L.P. ("Cowtown Gas Processing"), a gas processor and pipeline operator.
7. Cowtown Pipeline operates as a gas utility under Commission P-5 Permit No. 183246.
8. The T-4 permits for Cowtown Pipeline's gas gathering systems that are the subject of this complaint include: T-08260 and T-07643 for the Cowtown gathering system located in Somervell, Hood, Johnson, and Erath Counties; T-07854 for the Lake Arlington gathering system located in Tarrant County; and T-08015 for the Alliance gathering system located in Denton and Tarrant Counties.
9. Cowtown Gas Processing operates under Commission P-5 Permit No. 183067, which has the following specialty codes: gas processing plant, distribution system/master meter operators, and pipeline operators.

Procedural Background

10. On September 29, 2016, TG Barnett filed a formal complaint against Cowtown for discrimination in the taking and transporting and processing of gas, and violations of Texas Natural Resources Code, Chapters 81, 85, & 111; Statewide Rule 34; Texas Utilities Code Chapter 104; and 16 Texas Administrative Code §7.7001, et. seq.; and requested the Commission to set just and reasonable rates.
11. The Commission has jurisdiction over Cowtown, associated affiliates, and all matters in this proceeding pursuant to Chapters 81 (Railroad Commission of Texas) and 111 (Common Carriers, Public Utilities, and Common Purchasers) ("Common Carrier Act") of the Texas Natural Resources Code and Chapter 121 (Gas Pipeline) of the Texas Utility Code.
12. On October 28, 2016, Cowtown filed its response and a motion to dismiss TG Barnett's complaint, which was denied, and a motion to abate discovery. The parties were ordered to reengage in the discovery process.
13. On March 10, 2017, the Examiners determined the docket would proceed in two phases: the first phase considered TG Barnett's discrimination claim and the

second phase would proceed as a formal rate proceeding *if* discrimination was found.

14. On July 27, 2017, the Notice of Hearing was issued and subsequently published in *Gas Utilities Information Bulletin No. 1064* on July 31, 2017, in accordance with 16 Tex. Admin. Code § 7.235 (Publication and Service of Notice).
15. The merits hearing ("Hearing") for the first phase was conducted on August 22 and 23, 2017; and September 18, 19, and 21, 2017.
16. The evidentiary record closed on July 3, 2019.
17. On July 17, 2019, the Proposal for Decision ("PFD") was issued.

Relevant Background

18. Quicksilver operated wells and built, through its subsidiaries, the Alliance, Lake Arlington, and Cowtown Gas Gathering Systems in the Barnett Shale producing basin in North Texas.
19. In 2009, ENI US Operating Company, Inc., and ENI Petroleum US LLC (collectively, "ENI") acquired a 27.5 percent working interest from Quicksilver in its Alliance System.
20. In 2010, Crestwood entered an agreement with Quicksilver, the producer, to acquire Cowtown Pipeline, a gatherer, and Cowtown Gas Processing, a processor. The parties agreed Crestwood, as the parent company, would continue to perform the gathering and processing duties of the systems through both entities.
21. Tokyo Gas Company, Ltd. ("Tokyo Gas"), a gas utility in Japan, formed TG Barnett to acquire a 25 percent undivided interest in Quicksilver's Barnett Shale Asset (i.e., the Cowtown, Lake Arlington, and Alliance Gas Gathering Systems). Tokyo Gas hired several prominent companies to conduct due diligence into its purchase of the Barnett Shale Asset: technical, legal, financial, land title, and environmental due diligence as well as due diligence related to the credibility of Quicksilver.
22. On April 30, 2013, with an effective date of September 1, 2012, TG Barnett purchased 25 percent of the undivided interest from Quicksilver, the operator of the wells, in its Barnett Shale assets acquiring a 25 percent working interest in the Cowtown System and in the Lake Arlington System and a 18.125 percent working interest in the Alliance System. The 18.125 percent working interest in the Alliance System was 25 percent of Quicksilver's remaining interest after the 27.5 percent ENI previously acquired.

23. The table below shows a summary of the ownership interest of the working interest owners by gathering systems.

Owner	Cowtown System	Alliance System	Lake Arlington System
Quicksilver	75%	54.375%	75%
TG Barnett	25%	18.125%	25%
ENI	N/A	27.5%	N/A

24. TG Barnett agreed, as part of the April 2013 transaction, that its gas would be gathered and compressed and processed in accordance with Quicksilver's existing agreements with Cowtown.
25. On July 9, 2014, TG Barnett, without having any negotiations with the Crestwood or Cowtown entities, became a signatory and producer to the preexisting gathering and processing contracts between Quicksilver and Cowtown. The contract terms to all three systems expires in December 2020.
26. On July 9, 2014, ENI did not sign on as a producer in the contracts for the three gas gathering systems between Quicksilver and Cowtown.
27. Quicksilver began shutting in wells in November 2014, which led to a reduction in production in the Barnett Shale.

The Bankruptcy Proceeding

28. On March 17, 2015, Quicksilver filed for bankruptcy.
29. On October 6, 2015, Quicksilver received approval to auction its assets, including its Barnett Shale Asset, under the Bankruptcy Code.
30. The auction commenced on January 20, 2016 and concluded on January 21, 2016.
31. BlueStone submitted the winning bid for Quicksilver's assets but conditioned the closing of the sale transaction with the rejection of the existing gathering and processing Quicksilver contracts with Cowtown (i.e., the Alliance, Lake Arlington, and Cowtown gas gathering agreements).
32. BlueStone's P-5 permit number is 076861.
33. On January 27, 2016, the bankruptcy court approved the sale of Quicksilver's assets to BlueStone with March 31, 2016, scheduled as the closing date.
34. On February 5, 2016, Quicksilver petitioned the bankruptcy court to reject the Alliance, Cowtown, and Lake Arlington Gas Gathering Agreements between Cowtown and Quicksilver in order to close the sale of its assets to BlueStone.

35. Crestwood, on behalf of the Cowntown entities, negotiated new contracts with BlueStone.
36. On April 6, 2016, Quicksilver withdrew its motion to reject the gathering contracts between Quicksilver and Cowntown before the Bankruptcy court could rule on Quicksilver's motion.
37. On April 6, 2016, BlueStone and Cowntown negotiated new rates for each of the three gathering systems, which became effective on April 1, 2016.
38. BlueStone did not acquire the interests of TG Barnett or ENI.
39. TG Barnett and ENI were not parties to Quicksilver's bankruptcy proceeding.
40. TG Barnett does not have the same reduced rates in each of the three gathering systems with Cowntown as BlueStone had negotiated.

Similarly Situated Shippers: Conditions and Circumstances Existing at the Time of Agreement or Negotiation

41. Although all thirteen factors set forth in the definition of "similarly situated shipper" were considered, including arguments delving into the specifics of the contracts to compare BlueStone and TG Barnett, they are not dispositive to the analysis of similarly situated shippers but instead diverted attention from the actual dispositive factor: the conditions and circumstances existing at the time of agreement or negotiation.
42. Natural gas prices of approximately \$5.36 per MMBtu and propane prices of \$1.02 per gallon were generally in this range from 2008 through 2014. With strong commodity prices, the demand for processing services were strong.
43. Before TG Barnett signed its 2014 Cowntown amendments, natural gas, crude oil, and propane commodity prices were high.
44. When BlueStone signed its contracts in April 2016, the commodity prices were low.

45. The table below tracks the commodity prices during the development of the Barnett Shale (2008 and 2009), when Crestwood bought the gathering systems (October 2010), the effective date of TG Barnett's April 2013 agreements (September 2012), when TG Barnett bought its 25 percent interests from Quicksilver (April 2013), when TG Barnett became a producer party to the three gas gathering systems (June 2014), and when BlueStone executed its agreements with Cowtown's three gas gathering systems (April 2016).

Month	Crude Oil WTI, Cushing (\$/Bbl)	Natural Gas Henry Hub (\$/MMBtu)	Propane MB, non-TET cents/gallon
September 2008	103.65	7.81	152.92
December 2009	74.47	5.19	119.17
October 2010	81.90	3.48	123.16
September 2012	94.51	2.84	90.85
April 2013	92.02	4.15	94.00
June 2014	105.24	4.57	104.49
April 2016	40.95	1.89	45.46

46. In 2008, drilling activity was robust. By 2010, drilling activity decreased but there was an expectation that the drilling activity would pick up.
47. By March 2016, there was little to no drilling activity and Quicksilver had shut in its wells due to the economic downturn in energy prices since late 2014 and due to Quicksilver's financial situation.
48. TG Barnett became a producer party to the three gas gathering systems before Quicksilver shut-in its wells and filed for bankruptcy and before a number of producers in the area had already shut in other wells.
49. In its agreement with Cowtown for lower rates, BlueStone agreed to restore production of shut-in wells and to not shut-in wells for economic reasons.
50. TG Barnett had no bargaining leverage over Cowtown at the time of the Quicksilver bankruptcy, at the time of the negotiations between BlueStone and Cowtown, or at the time it became a producer party with Quicksilver.
51. BlueStone entered into contracts with Cowtown after Quicksilver filed for bankruptcy and after Quicksilver's contracts with Cowtown were threatened to be rejected by the bankruptcy court.
52. BlueStone had significant leverage in the negotiations with Cowtown while TG Barnett did not, because it was amending existing, binding agreements.
53. TG Barnett did not establish it is a similarly situated shipper to BlueStone.

54. TG Barnett failed to establish that the conditions and circumstances existing at the time of agreement or negotiation between TG Barnett and Cowtown and between BlueStone and Cowtown were the same.

CONCLUSIONS OF LAW

1. Cowtown is a "common carrier" as the term is defined under Tex. Nat. Res. Code § 111.020(d) and is therefore subject to the jurisdiction of the Commission.
2. The Commission has exclusive original jurisdiction over all matters decided in this docket.
3. All required notices were issued and/or provided in accordance with the requirements of Subtitle A (Administrative Procedure and Practice) of the Texas Government Code and applicable Commission rules.
4. This proceeding was conducted in accordance with Subtitle A (Administrative Procedure and Practice) of the Texas Government Code and applicable Commission rules.
5. The PFD was served on all parties in accordance with 16 Tex. Admin. Code §1.121 (Proposals for Decision).
6. In a complaint filed with the Commission, the burden of proof rests upon the complainant, TG Barnett, by a preponderance of the evidence. 16 Tex. Admin. Code §1.23(b)(Complaint Proceedings).
7. The factor that is material and probative in the analysis as to whether TG Barnett and BlueStone are similarly situated shippers is Subsection (M), conditions and circumstances existing at the time of agreement or negotiation. 16 Tex. Admin. Code §7.115(32)(M)(Definition of "similarly situated shipper").
8. TG Barnett failed to meet its burden under 16 Tex. Admin. Codes §§7.7001 and 7.7003.
9. BlueStone and TG Barnett are not similarly situated shippers; therefore, unreasonable discrimination has not occurred. See 16 Tex. Admin Code §§ 7.7003(Administrative Penalties and Other Remedies for Discrimination), 7.7001(Natural Gas Transportation Standards and Code of Conduct)

IT IS THEREFORE ORDERED that TG Barnett's complaint is **DENIED** and **DISMISSED**. Unreasonable discrimination has not occurred, and a rate case is unnecessary.

IT IS FURTHER ORDERED that all other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not granted or approved in this Order, are hereby **DENIED**.

IT IS FURTHER ORDERED this Order will not be final and effective until 25 days after the Commission's Order is signed. If a timely motion for rehearing is filed by any party at interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. The time allotted for Commission action on a motion for rehearing in this docket prior to its being overruled by operation of law is hereby extended until 100 days from the date this Order is signed.

SIGNED on August 20, 2019.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN WAYNE CHRISTIAN

COMMISSIONER CHRISTI CRADDICK

COMMISSIONER RYAN SITTON

ATTEST:

SECRETARY