

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION FILED BY HOUSTON PIPE LINE COMPANY LP PURSUANT TO NGPA § 311 FOR REVIEW OF THE REASONABLENESS OF A TRANSPORTATION RATE AND REQUEST FOR WAIVER</b>	§ § § § § §	<b>GAS UTILITIES DOCKET NO. 10985</b>
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**ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Chapter 551 (“Open Meetings”) of the Texas Government Code. The Railroad Commission of Texas (“Commission”) adopts the following findings of fact, conclusions of law, and orders as follows:

**FINDINGS OF FACT**

1. Houston Pipe Line Company LP (“HPL” or “Applicant”) owns and operates an intrastate natural gas pipeline within the State of Texas.
2. On March 13, 2020, Governor Gregg Abbott declared a State of Disaster for all Texas Counties in response to the novel coronavirus (“COVID-19”) pandemic and subsequently renewed his declaration on April 12, 2020, May 12, 2020 and June 11, 2020.
3. In response to the Governor’s disaster declarations, the Commission notified gas utilities that they may request a waiver for regulatory requirements from the Commission and that such requests would be reviewed on a case-by-case-basis.
4. Due to the economic impact of the COVID-19 pandemic, certain shippers have requested that HPL provide firm transportation service at a rate that does not include a demand fee component.
5. On June 10, 2020, HPL filed with the Commission an application for review of the reasonableness of transportation rates under Section 311 of the Natural Gas Policy Act (“NGPA”) and request for waiver of the regulatory requirement to file direct testimony and schedules supporting the application.
6. In its June 10, 2020 application, HPL requested that the Commission make a determination in this proceeding by utilizing the cost-based review of transportation rates it performed in GUD No. 10559, HPL’s current order for Section 311 NGPA rates. Specifically, HPL requests that the Commission approve an additional commodity only firm transportation rate of \$0.3125 per MMBtu, plus 1.3% retention for system fuel, so that this rate may be implemented expeditiously for Section 311 NGPA interstate service.

7. On July 7, 2020, HPL filed the direct testimony and accompanying schedules from GUD No. 10559, updated to reflect a 21% income tax rate, supporting the application.
8. Applicant does not seek to change or modify any existing intrastate rates.
9. Due notice of this proceeding was served on all persons for whom Applicant performs § 311(a)(2) transportation services.
10. This docket was processed informally without an evidentiary hearing. No motion to intervene or statement of protest was filed.
11. The rates reviewed by the Commission in GUD No. 10559 and found to be just and reasonable and not in excess of cost based rates are currently on file with the Federal Energy Regulatory Commission and serve as ceiling rates for § 311(a)(2) transportation services provided by HPL.
12. It is reasonable to utilize the record from GUD No. 10559, updated to reflect a 21% income tax rate, to determine whether the proposed rate is just and reasonable and not in excess of a cost based rate and waive the regulatory requirement that HPL file direct testimony and schedules supporting this application so that the subject rate may be implemented expeditiously for § 311(a)(2) transportation service by HPL.
13. HPL has shown that a firm transportation rate of \$0.3125 per MMBtu, plus 1.3% retention for system fuel is fair and equitable and not in excess of the cost-based rate determined in GUD No. 10559.

#### CONCLUSIONS OF LAW

1. HPL is an intrastate “gas utility” under GURA § 101.003 (Definitions).
2. Applicant transports natural gas on behalf of others pursuant to § 311(a)(2) of the Natural Gas Policy Act of 1978, 15 U.S.C. § 3371, *et seq.*, and 18 C.F.R. 284.121-126 (2018).
3. The application is properly before the Commission pursuant to 15 U.S.C. § 3371, *et seq.*, and TEX. UTIL. CODE ANN. § 121.151 (Supp.).
4. A firm transportation rate of \$0.3125 per MMBtu, plus 1.3% retention for system fuel is fair and equitable and not in excess of the cost-based rate determined in GUD No. 10559.

**THE RAILROAD COMMISSION OF TEXAS** hereby finds that a firm transportation rate of \$0.3125 per MMBtu plus 1.3% retention for system fuel by Houston Pipe Line Company LP is fair and equitable and not in excess of a cost-based rate.

**IT IS FURTHER ORDERED** that all proposed findings of fact and conclusions of law not specifically adopted herein are **DENIED**.

GUD NO. 10985

ORDER

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SIGNED this 4<sup>th</sup> day of August 2020.

**RAILROAD COMMISSION OF TEXAS**

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*Wayne Christian*  
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**WAYNE CHRISTIAN, CHAIRMAN**

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**CHRISTI CRADDICK, COMMISSIONER**

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**RYAN SITTON, COMMISSIONER**

**ATTEST:**

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**SECRETARY**

