

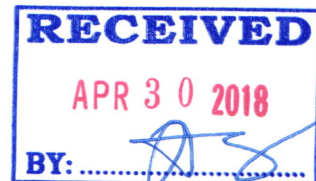
CHRISTI CRADDICK, *CHAIRMAN*
RYAN SITTON, *COMMISSIONER*
WAYNE CHRISTIAN, *COMMISSIONER*



RANDALL D. COLLINS, *DIRECTOR*

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

April 27, 2018



The Honorable Trey J. Duhon III
Waller County Judge
836 Austin Street, Suite 203
Hempstead, TX 77445

RE: GUD No. 10679, consolidated: Statement of Intent of SiEnergy, LP, to Increase Gas Utility Rates in Central and South Texas

Dear Judge Duhon:

Enclosed is the Notice of Hearing for the above-referenced gas utility docket at the Railroad Commission of Texas ("Commission"). This Notice of Hearing was issued on April 20, 2018, and is being provided to you, as governing body of an affected county, in accordance with Section 104.105 (Determination of Propriety of Rate Change; Hearing) of the Gas Utility Regulatory Act ("GURA"), contained in the Texas Utilities Code.¹

Contact for Additional Information – In accordance with Tex. Gov't Code § 2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.

Sincerely,

A handwritten signature in black ink, appearing to be "John Dodson", written over a horizontal line.

John Dodson
Administrative Law Judge

Enclosure

¹ See Tex. Util. Code § 104.105(c) ("The regulatory body shall give reasonable notice of the hearing, including notice to the governing body of each affected municipality and county.").

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT OF	§	
SIENERGY, LP, TO INCREASE GAS	§	GAS UTILITIES DOCKET
UTILITY RATES IN CENTRAL AND	§	NO. 10679,
SOUTH TEXAS	§	Consolidated
	§	

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On January 5, 2018, SiEnergy, LP ("SiEnergy"), filed with the Commission a statement of intent to increase gas utility rates within the unincorporated areas served by SiEnergy in Central and South Texas (the "SOI"). The SOI was docketed as GUD No. 10679. As part of its rate filing, SiEnergy requests that the Commission: (1) approve tariffs and rate schedules associated with the SOI; (2) approve new depreciation rates; (3) approve the prudence of capital investment through September 30, 2017; (4) issue a favorable public interest determination regarding a July 31, 2017 purchase transaction by IX Si Investment Co., LLC ("IX Si"), whereby IX Si acquired 100 percent of the equity interests in SiEnergy; (5) authorize SiEnergy to amortize its acquisition adjustment; (6) authorize SiEnergy to recover all reasonable rate case expenses; and (7) grant SiEnergy such further relief to which it may be entitled.

Contemporaneously with its SOI, SiEnergy filed statements of intent to increase rates with the Cities of Conroe, Fulshear, Katy, Missouri City, and Sugarland (together with the SOI, and to the extent the Commission acquires jurisdiction over these municipal actions, the "Consolidated Requested Relief").

On January 23, 2018, the Commission suspended the effective date for SiEnergy's rate increase for 150 days, pursuant to Section 104.107 (Rate Suspension; Deadline) of the Gas Utility Regulatory Act ("GURA") of the Texas Utilities Code. Subsequently, SiEnergy voluntarily extended this suspension further until August 24, 2018.

On January 26, 2018, the Administrative Law Judge ("ALJ") aligned all municipal parties under Commission Rule §§ 1.56 (Alignment of Municipal Intervenors for Purposes of Discovery) and 1.26 (Classification and Alignment of Parties). On February 13, 2018, the ALJ severed the rate case expenses portion of this docket into a separate docket, GUD No. 10694.

Several comments/communications from the public were received regarding the relief proposed in the SOI. On March 16, 2018, the ALJ sent Complaint and Statement of Intent to Participate forms to each public commenter. No completed forms were returned.

On April 12, 2018, SiEnergy notified the ALJ that the parties reached a settlement. On April 13, 2018, the ALJ consolidated GUD No. 10694 (rate case expenses) with GUD No. 10679 (the SOI docket).

Intervening Parties. Two parties have intervened in this docket: (1) Staff of the Railroad Commission ("Staff"), and (2) Gulf Coast Coalition of Cities ("GCCC").

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider all issues of fact and law raised in—or relevant to—SiEnergy's Consolidated Requested Relief. The scope of the hearing may be limited to the parties' settlement.

Legal Authority and Jurisdiction. The Commission has, or may have, jurisdiction over SiEnergy and the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 103.003 (Surrender of Municipal Jurisdiction to Railroad Commission; Reinstatement of Jurisdiction), 103.051 (Appeal by Party), 103.052 (Appeal by Residents), 103.053 (Appeal by Ratepayers Outside Municipality), and 104.001 (Authorization to Establish and Regulate Rates), and pursuant to GURA Sections 121.051 (Gas Utility: Public Interest and Jurisdiction of Railroad Commission), 121.052 (Pipelines: Monopolies Subject to Railroad Commission), and 121.151 (Railroad Commission Regulation of Gas Pipelines). The ALJ shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, and other applicable authority.

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. All sections in GURA Chapters 101 (General Provisions and Office of Public Utility Counsel), 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), 104 (Rates and Services), and 121 (Gas Pipelines); and
2. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure) and 7 (Gas Services Division).

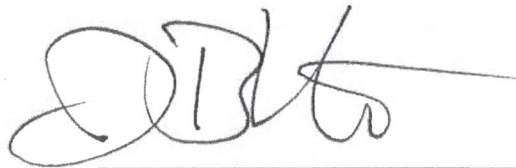
Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall commence at **9:00 a.m. on Tuesday, May 15, 2018**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced, until concluded.

IT IS FURTHER DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the final hearing on the merits **SHALL** appear in person or by an attorney. For good cause shown, the ALJ may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.112 (Proceedings by Telephony).

Written Transcript of the Hearing. The record of the hearing will be made by stenographic transcription by the court reporter. Any party that desires a copy of the written transcript of the hearing should contact the court reporter at (512) 282-0313. The Commission may assess the cost of the transcript or expedited transcript to one or more parties pursuant to Section 2001.059 (Transcript) of the Texas Government Code.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information – In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.

A handwritten signature in black ink, appearing to read 'JD', is written over a horizontal line.

John Dodson
Administrative Law Judge