

Texas Administrative Code

TITLE 16	ECONOMIC REGULATION
PART 1	RAILROAD COMMISSION OF TEXAS
CHAPTER 7	GAS SERVICES
SUBCHAPTER D	CUSTOMER SERVICE AND PROTECTION
RULE §7.455	Curtailment Standards

(a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Balancing authority--The Electric Reliability Council of Texas or other responsible entity that integrates resource plans ahead of time, maintains electricity demand and resource balance within a balancing authority area, and supports interconnection frequency in real time for a power region in Texas.
- (2) Commission--The Railroad Commission of Texas.
- (3) Curtailment event--When a gas utility determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. For the purposes of this section, an interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, a gas utility interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.
- (4) Electric generation facilities--Facilities registered with the applicable balancing authority including bulk power system assets, co-generation facilities, distributed generation, and backup power systems.
- (5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.
- (6) Gas utility--An entity that operates a natural gas transmission pipeline system or a local distribution company that is subject to the Commission's jurisdiction as defined in Texas Utilities Code, Title 3.
- (7) Human needs customers--Residences, hospitals, water and wastewater facilities, police, fire, military and civil defense facilities, and locations where people may congregate in an emergency such as schools and places of worship. A human needs customer also includes small commercial customers that cannot practicably be curtailed without curtailing human needs.
- (8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.

(b) Applicability. This section takes effect on September 1, 2022. This section applies when any gas utility experiences a curtailment event affecting intrastate service on any of its intrastate natural gas pipelines. When a gas utility experiences a curtailment event, the gas utility shall curtail deliveries according to the priorities listed

Supersedes Curtailment Plan Dated

January 5, 1973 (Docket No. 489 – All Other Areas)
June 22, 1981 (Docket No. 3008 – Central Texas)
October 1, 1993 (Docket No. 3731 – Rio Grande Valley)

Meters Read On and After

September 1, 2022

in subsection (c) of this section unless and until the gas utility has an approved curtailment plan pursuant to subsection (d) of this section. The curtailment priorities in this section apply to sales of natural gas owned by a gas utility and/or deliveries utilizing a gas utility's transportation capacity. The priorities in this section do not apply to sales of gas owned by an entity that is not a gas utility. The term "deliveries" in this section includes sales and/or transportation service.

(c) Priorities.

- (1) Unless a gas utility has an approved curtailment plan pursuant to subsection (d) of this section, a gas utility shall apply the following priorities in descending order during a curtailment event:
 - (A) firm deliveries to human needs customers and firm deliveries of natural gas to local distribution systems which serve human needs customers;
 - (B) firm deliveries to electric generation facilities;
 - (C) firm deliveries to industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel;
 - (D) firm deliveries to small industrials and regular commercial loads that use less than 3,000 Mcf per day;
 - (E) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed;
 - (F) firm deliveries to large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed; and
 - (G) firm deliveries to customers that are not covered by the priorities listed in subparagraphs (A) - (F) of this paragraph.
- (2) Deliveries to customers within the same priority on the portion of the system which is subject to curtailment shall be curtailed to the extent practicable on a pro rata basis according to scheduled quantities. If a customer's end-use requirements fall under two or more priorities, then such requirements must be treated separately when applying this schedule of priorities to the extent practicable. Transportation customers have equivalent end-use priorities as sales customers.
- (3) When applying the priorities of this section, a gas utility may rely on the representations of its customers and/or their end users regarding the nature of customers' deliveries.

(d) Curtailment plans. Order 489 and any curtailment plan approved by the Commission prior to the effective date of this section is superseded by this section. A gas utility may file its own curtailment plan for approval with the Oversight and Safety Division. A gas utility shall follow the priorities listed in subsection (c) of this section unless and until the gas utility has an approved curtailment plan on file with the Commission. The first three priorities in any individual curtailment plan must be consistent with the first three priorities listed in subsection

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(c)(1)(A) - (C) and (2) of this section. A gas utility shall provide to its customers notice of an application for a curtailment plan. A gas utility shall provide notice on the same day the gas utility files its application with the Commission. The gas utility may provide notice by hand delivery, by first class, certified, registered mail, commercial delivery service, electronic methods, or by such other manner as the Commission may require. The notice shall be in the form prescribed by the Commission. The Oversight and Safety Division may administratively approve the curtailment plan if no request for hearing is filed within thirty days of such notice. The Commission shall set the matter for hearing if it receives a timely request for hearing from a customer of the gas utility.

(e) Required tariff filings. Within 90 days of the effective date of this section, each gas utility shall electronically file with the Commission, in the manner prescribed by the Commission, tariffs that shall include either:

(1) the curtailment priorities as specified in this section; or

(2) a curtailment plan approved by the Commission as specified in subsection (d) of this section.

(f) Curtailment emergency contact information. Each gas utility shall maintain current curtailment emergency contact information with the Commission and shall submit curtailment emergency contact information on or before November 1 of each year.

Source Note: The provisions of this §7.455 adopted to be effective July 29, 2002, 27 TexReg 6687; amended to be effective May 14, 2018, 43 TexReg 2997; amended to be effective September 1, 2022, 47 TexReg 2516