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NOTICE OF VIOLATION BY SHELL OIL COMPANY FOR VIOLATIONS OF 16 TAC § 25.55, AND ERCOT NODAL PROTOCOLS § 3.21(3), CONCERNING FAILURE TO COMPLY WITH WINTER WEATHER EMERGENCY PREPAREDNESS REPORTING REQUIREMENTS **PUBLIC UTILITY COMMISSION**

OF TEXAS

SHELL OIL COMPANY'S REQUEST FOR A HEARING AND SETTLEMENT CONFERENCE

TO THE HONORABLE CHAIRMAN AND COMMISSIONERS OF THE PUBLIC UTILITY COMMISSION OF TEXAS:

Shell Oil Company ("Shell") files this request for a hearing pursuant to 16 Tex. Admin. Code ("TAC") § 22.246(g)(3) and files this request for a settlement conference pursuant to 16 TAC § 22.246(h).

I. Background

Shell received the Executive Director's Notice of Violation ("NOV") on December 8, 2021. The NOV claims that Shell violated 16 TAC § 25.55(c)(2) and ERCOT Nodal Protocols § 3.21(3) by failing to timely submit to ERCOT required winter weather emergency preparedness information for four separate generation resources.¹

The NOV proposes that an administrative penalty of 2,375,000 be levied against Shell for the violations. Shell filed the winter weather readiness reports described by 16 TAC § 25.55(c)(2) on December 8, 2021, immediately upon receipt of the NOV. Shell subsequently submitted the Declaration required by ERCOT Protocols § 3.21(3) for the resources listed in the NOV and has therefore remedied any continuing violation of 16 TAC § 25.55(c)(2) or ERCOT

¹ See Notice of Violation by Shell Oil Company for Violations of 16 TAC § 25.55 and ERCOT Nodal Protocols § 3.21(3), Concerning Failure to Comply with Winter Weather Emergency Preparedness Reporting Requirements, Docket No. 52930, Notice of Violation at 2 (Dec. 8, 2021) ("NOV").

Protocols § 3.21(3). Further, the untimely submissions were accidental or inadvertent. The generation resources referenced in the NOV were appropriately weatherized within the parameters of 16 TAC § 25.55(c)(1) on or before December 1, 2021, and the NOV does not include any allegation to the contrary.

Pursuant to 16 TAC § 22.246(g)(3), Shell may file a written request for a hearing within twenty (20) days of receiving the NOV, or December 28, 2021. Shell may request a formal settlement conference pursuant to 16 TAC § 22.246(h).

II. Authorized Representatives

Shell's representatives in this proceeding are:

Marcie Milner Megan Roberts Shell Energy North America 150 N. Dairy Ashford Rd. Houston, Texas 77079 Marcie.Milner@shell.com Megan.Roberts@shell.com Alaina Zermeno State Bar No. 24098656 alaina.zermeno@huschblackwell.com Chris Reeder State Bar No. 16692300 chris.reeder@huschblackwell.com HUSCH BLACKWELL LLP 111 Congress Avenue, Suite 1400 Austin, Texas 78701 Telephone: (512)-479-1183 Telecopier: (512) 479-1101

Please provide copies of all pleadings or documents in this docket to the authorized representatives listed above.

III. Request for Hearing and Settlement Conference

Shell respectfully requests a hearing pursuant to 16 TAC § 22.246(g)(3)(B) regarding the amount of any appropriate administrative penalty. Shell also respectfully requests a settlement conference pursuant to 16 TAC § 22.246(h). Additionally, Shell requests the settlement conference take place before the matter is referred to the State Office of Administrative Hearings.

IV. Conclusion

Shell respectfully requests that its request for a hearing and settlement conference be granted and all other relief to which it is entitled.

Respectfully submitted,

<u>/s/ Alaina Zermeno</u> Alaina Zermeno State Bar No. 24098656 alaina.zermeno@huschblackwell.com Chris Reeder State Bar No. 16692300 chris.reeder@huschblackwell.com HUSCH BLACKWELL LLP 111 Congress Avenue, Suite 1400 Austin, Texas 78701 Telephone: (512) 479-1183 Telecopier: (512) 479-1101

ATTORNEYS FOR SHELL OIL COMPANY

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this pleading has been forwarded to all parties of record via electronic mail on the 23rd day of December 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

<u>/s/ Alaina Zermeno</u> Alaina Zermeno