

RESOLUTION NO. 16-2002

A RESOLUTION OF THE CITY OF ABILENE AUTHORIZING INTERVENTION IN GAS UTILITY DOCKET 9304 AT THE RAILROAD COMMISSION; AUTHORIZING PARTICIPATION IN A STEERING COMMITTEE WITH OTHER CITIES SERVED BY TXU AND REQUIRING REIMBURSEMENT FROM TXU LONE STAR PIPELINE OF CITIES' REASONABLE RATE CASE EXPENSES.

WHEREAS, TXU Lone Star Pipeline (LSP) filed a Statement of Intent with the Railroad Commission (designated as GUD 9292) on April 5, 2002, to surcharge residential and commercial gas customers who are residents of the City of Abilene to cover costs associated with a new pipeline to serve the Metroplex; and

WHEREAS, the requested surcharges of 37¢ per month and \$2.10 per month on residential and commercial customers, respectively, will adversely impact the City of Abilene and its residents; and

WHEREAS, TXU Lone Star Pipeline (LSP) filed a second statewide surcharge case on May 8, 2002, (designated as GUD 9304) requesting authority to establish a monthly fee to recover future, unpredictable expenses associated with implementation of a pipeline integrity and safety assessment (ISA) program; and

WHEREAS, the requested surcharge in GUD 9304 will have an immediate impact of \$1.25 to \$2.50 annually per residential customer, with the potential for much higher increases in the future becoming automatic once the surcharge mechanism is approved and becomes a precedent for automatic pass through of costs associated with a pipeline safety cost recovery program; and

WHEREAS, Cities served by TXU have a history of cooperation in gas rate matters and such cooperation in GUD 9292 and GUD 9304 will be efficient and cost effective in evaluating whether the proposed pipeline is reasonable and necessary and whether associated costs should be recovered in piecemeal ratemaking through a surcharge; and

WHEREAS, pursuant to Utilities Code § 103.023, municipalities have standing to intervene in this case; and

WHEREAS, pursuant to Utilities Code § 103.022, municipalities are entitled to reimbursement of their reasonable costs of participation; NOW THEREFORE,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS.

Section 1. That the City Council of the municipality of Abilene, Texas, authorizes the City Manager or his Designee, to represent the City on the Steering Committee of affected cities (hereinafter called "Steering Committee") and authorizes the Steering Committee of which the

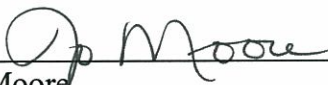
City is a participating member, to retain legal counsel and engage consultants, and to intervene on behalf of the City in related dockets and appeals.

Section 2. That the Steering Committee formed to oversee this effort on behalf of cities is authorized to take all reasonable steps before the Railroad Commission and before the Courts as may be necessary in an appeal of a Commission Order.

Section 3. That LSP is hereby directed to promptly pay cities' rate case expenses as they are incurred.

Signed this 23 day of May, A.D., 2002.

ATTEST:



Jo Moore
City Secretary



Grady Barr
Mayor

APPROVED:



Sharon L. Hicks
City Attorney