

ORDINANCE NO.

AN ORDINANCE GRANTING AN APPLICATION BY TEXAS GAS SERVICE TO RECOVER RELOCATION COSTS THROUGH A SURCHARGE ON GAS VOLUMES SOLD AND TRANSPORTED TO CUSTOMERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. FINDINGS:

(A) On October 15, 2007, Texas Gas Service ("TGS") filed an application with the City to recover costs associated with the relocation of gas facilities required by road construction projects pursuant to its authority for such cost recovery under §104.112 of the Texas Utilities Code.

(B) Under §104.112 of the Texas Utilities Code, a gas utility may recover the costs it incurs from relocating its facilities due to road construction or improvement projects through a surcharge on gas volumes sold and transported to customers in the service area where the relocation occurred by applying to the regulatory authority for a new rate schedule or tariff.

(C) According to the application files by TGS, the recovery requires a surcharge of \$0.0101 per Ccf (100 cubic feet), that when applied to customer bills beginning in December 2007, will result in an increase in the monthly bill for a typical residential customer by approximately \$0.27 and an increase in the monthly bill for a typical commercial customer will increase by approximately \$1.51.

(D) The application filed by TGS provides no basis for denial and includes sufficient documentation to demonstrate:

- (1) the requirement of each relocation;
- (2) the entity requiring the relocation;
- (3) costs incurred for relocation of comparable facilities;
- (4) surcharge computations; and
- (5) that reasonable effort have been made to receive reimbursement from the entity requiring the relocation.

PART 2. Based on the above findings, the application for relocation cost recovery filed by Texas Gas Service on October 15, 2007, is granted.

PART 3. This ordinance takes effect on _____.

PASSED AND APPROVED

_____, 2007

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Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk