

ORDINANCE NO.

AN ORDINANCE SUSPENDING THE IMPLEMENTATION OF THE INTERIM RATE ADJUSTMENT UNDER SECTION 104.301 OF THE TEXAS UTILITIES CODE BY TEXAS GAS SERVICE COMPANY WITHIN THE CITY OF AUSTIN, TEXAS; REQUESTING REIMBURSEMENT FOR THE CITY'S EXPENSES FOR HIRING CONSULTANTS TO ASSIST THE CITY IN ITS REVIEW AND CONSIDERATION OF THE RATE ADJUSTMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

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

PART 1. On February 11, 2014, Texas Gas Service Company ("TGS") filed with the City of Austin, Texas (the "City") an Interim Rate Adjustment ("IRA") that would allow the Company to recover the incremental costs of the new investment it has made within its Central Texas Service Area ("CTXSA"). Parallel requests were filed by TGS that same day with all eight municipalities (Bee Cave, Cedar Park, Dripping Springs, Kyle, Lakeway, Rollingwood, Sunset Valley and West Lake Hills) in the CTXSA. If applied on a total system basis for the entire CTSA (all eight municipalities and their environs), the IRA would allow TGS to recover its capital invested in the CTXSA from January 1, 2013, through December 31, 2013, in the amount of \$5,664,028.

PART 2. TGS proposed an effective date of April 12, 2014 for the IRA.

PART 3. In support of the IRA, TGS has submitted the requisite supporting documentation, including Schedules, Earnings Report, and Investment Reports.

PART 4. Pursuant to Texas Utilities Code § 104.301(a), the City is authorized to suspend the implementation of the IRA for a period not to exceed 45 days beyond the effective date proposed by the Company.

PART 5. The City Council finds that it requires additional time to review and consider the IRA and supporting documentation filed by the Company.

PART 6. The City requests that TGS reimburse the City for its reasonable and necessary costs to engage rate consultants, accountants, auditors, attorneys, and engineers to conduct investigations, present evidence, advise, and represent the City regarding the IRA.

PART 7. The implementation of the IRA filed by TGS and the Company's proposed effective date of April 14, 2014, shall be and hereby are suspended within the City of Austin pursuant to Section 104.301(a) the Texas Utilities Code for 45 days (that is,

through May 29, 2014), or until adoption by the City Council of a final ordinance addressing the implementation of the IRA, whichever shall first occur.

PART 8. This ordinance takes effect on _____, 2014.

PASSED AND APPROVED

_____, 2014 §
 §
 § _____
 Lee Leffingwell
 Mayor

APPROVED: _____ **ATTEST:** _____
 Karen M. Kennard Jannette S. Goodall
 City Attorney City Clerk