

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. In accordance with Chapters 103 and 104 of the Texas Utilities Code, the City has exclusive original jurisdiction over gas rates charged for natural gas utility services provided in the City.

PART 2. On February 17, 2015, Texas Gas Service Company ("TGS") filed with the City of Austin, Texas (the "City") an Interim Rate Adjustment ("IRA") that would allow TGS to recover the incremental costs of the new investment it has made within its Central Texas Service Area ("CTXSA"). TGS filed the same IRA request 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 CTXSA (all eight municipalities and their environs), an IRA of \$3,404,643 would allow TGS to recover its net increase in capital invested in the CTXSA from January 1, 2014, through December 31, 2014, of \$25,139,227.

PART 3. TGS proposed an effective date of April 12, 2015 for applying the rate resulting from the IRA.

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 TGS.

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

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 during its consideration of the IRA filing.

