

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

September 9, 1963

COUNCIL CHAMBERS, CITY HALL

The Special Meeting was called to order with Mayor Palmer presiding.

Roll Call:

Present: Councilmen LaRue, Long, Shanks, Mayor Palmer
Absent: Councilman White

The Mayor announced that it was time for the Special Meeting concerning the proposed general supply gas contract between Southern Union Gas Company and Coastal States Gas Producing Company of Corpus Christi. Southern Union Gas Company holding the franchise for distribution of gas in Austin, had been purchasing its gas from United Gas Pipe Line Company. Al Wiederker, Vice President of Southern Union Gas Company, stated that his company had thoroughly checked the financial status and deliverability prospects of Coastal States before recommending the contract.

The Coastal States contract, drawn up on a 20-year firm price basis, would begin with a price of 19.5 cents per million cubic feet of gas and would run through a price of 24 cents per MCF in 1987. The contract offered by United Gas Pipe Line Company drawn up on a 10-year firm price basis would begin with an initial price of 19.5 cents per million cubic feet of gas and would jump to 25 cents in the last five years of the contract.

Attorney Frank Denius, representing Southern Union Gas Company, pointed out that Coastal State's price at the end of the 20-year contract would be less than the price presently being paid by other Texas cities. He then stated that Houston paid 28.7 cents and Dallas and Fort Worth paid 35.4 cents.

Saunders Gregg, attorney representing United Gas Pipe Line Company, requested that the Council make an impartial survey of Coastal States before taking action on the contract. He contended that the survey used by Southern Union in making its recommendation was paid for by Coastal States. Mr. Wiederker then stated that having thoroughly checked the survey, he was completely satisfied with the contents.

GAS CONTRACT

Councilman Long offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, on the 12th day of August, 1948, the City Council of the City of Austin passed a certain Ordinance entitled "An Ordinance granting to Texas Public Service Company a franchise to construct, maintain and operate a natural gas distributing plant and system in the City of Austin, and prescribing the terms, conditions, obligations and limitations upon and under which such franchise shall be exercised," which Ordinance is recorded at length in Ordinance Book "N", pages 254-267 inclusive, of the Ordinance Records of the City of Austin; and

WHEREAS, the franchise granted by said Ordinance of August 12, 1948 was transferred by Texas Public Service Company to Southern Union Gas Company in 1949, with the approval of said City Council; and

WHEREAS, said franchise requires formal approval of the City of Austin before the gas supply contract between United Gas Pipeline Company and Southern Union Gas Company may be changed; and

WHEREAS, Southern Union Gas Company has requested the City Council of the City of Austin to amend Section 10 and Section 11 of the Original Franchise Ordinance, so as to permit Southern Union Gas Company to contract with Coastal States Gas Producing Company (pursuant to the terms and provisions of that certain contract between Coastal States Gas Producing Company and Southern Union Gas Company attached hereto as Exhibit "A" and made a part hereof for all purposes) to secure its supply of natural gas for the distribution and sale of natural gas to the City of Austin and its inhabitants from and after April 1, 1967, or sooner in the event it is mutually agreeable between the said Coastal States Gas Producing Company and Southern Union Gas Company; and

WHEREAS, Southern Union Gas Company has further requested the City Council of the City of Austin to amend Section 21 of the Original Franchise Ordinance, so as to renew and extend the term of said franchise through the 31st day of August, 1988; Now, Therefore,

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

SECTION 1: That formal approval is hereby given by the City of Austin so as to permit Southern Union Gas Company to contract with Coastal States Gas Producing Company (pursuant to the terms and provisions of that certain contract between Coastal States Gas Producing Company and Southern Union Gas Company attached hereto as Exhibit "A" and made a part hereof for all purposes) to secure its supply of natural gas for the distribution and sale of natural gas to the City of Austin and its inhabitants from and after April 1, 1967, or sooner in the event it is mutually agreeable between the said Coastal States Gas Producing Company and Southern Union Gas Company.

SECTION 2: This Resolution shall not be construed as granting any franchise or franchise rights to anyone, and it is not intended by this Resolution to alter or impair any existing franchise ordinance of the City of Austin.

The motion, seconded by Councilman LaRue, carried by the following vote:

Ayes: Councilmen LaRue, Long, Shanks, Mayor Palmer
Noes: None
Absent: Councilman White

REQUEST GRANTED

Councilman Long moved that the Council authorize the fogging along the creek in the Chesterfield, Denson Drive, Canion, and Hammock Drive area and in the area from 813 Park Boulevard extending to the creek around St. Mary's. The motion, seconded by Councilman LaRue, carried by the following vote:

Ayes: Councilmen LaRue, Long, Shanks, Mayor Palmer
Noes: None
Absent: Councilman White

ADJOURNMENT

The Council then adjourned.

APPROVED: _____
Mayor

ATTEST: _____
City Clerk