## RESOLUTION NO. <u>20051103-</u>

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

**WHEREAS**, Texas Gas Service, a division of ONEOK, Inc., acquired its Austin operations from Southern Union Gas in January 2003, including a franchise with the City of Austin for the sale and delivery of natural gas to Austin residents; and

**WHEREAS**, Section 103.001 of the Texas Utilities Code grants the City Council exclusive original jurisdiction "...to regulate the rates, operations, and services of a gas utility within the municipality..." which includes the right to "...inquire into the management and affairs of each gas utility"; and

**WHEREAS**, Article XI, Section 5 of the City Charter requires each franchise approved by the City Council be subject to Council's right to examine and audit at anytime the accounts and other records of the franchise holder, and to require reports on the local operations of the utility"; and

**WHEREAS**, Section 4.5 of the Texas Gas Service franchise states, "The City Council may, at its discretion, pursuant to the authority in the City Charter, require a management audit of the Company's operations in Austin; **NOW, THEREFORE,**

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

That Texas Gas Services, a division of ONEOK, Inc., submit to a management audit of the Company's Austin operations as authorized under both state law and its City franchise;

**BE IT FURTHER RESOLVED:**

That the City Manager conduct or direct a management audit of the Austin operations of Texas Gas Service, a division of ONEOK, Inc.;

**BE IT FURTHER RESOLVED:**

That Texas Gas Service, a division of ONEOK, Inc., give City auditors access to all records and documents regarding its Austin operations as deemed necessary by the auditors; and

**BE IT FINALLY RESOLVED:**

That Texas Gas Service, a division of ONEOK, Inc., reimburse the City for all reasonable expenses incurred because of this audit.

**ADOPTED:** ___November 3___, **2005**     **ATTEST:**_____

                                                                           Shirley A. Brown
                                                                           City Clerk