



# The City of College Station, Texas

*Embracing the Past, Exploring the Future.*

## Legal Department

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## MEMORANDUM

### PRIVILEGED AND CONFIDENTIAL

**TO:** Mayor Silvia and Members of the City Council  
**FROM:** Harvey Cargill, Jr., City Attorney *Harvey*  
**DATE:** June 12, 2003  
**SUBJECT:** TXU Gas Distribution Request

The pertinent dates are set out below:

May 23, 2003	TXU Gas Distribution filed Statement of Intent to Increase Rates.
June 27, 2003	Proposed date for rate to increase, 35 days after filing rate, rates go into effect automatically unless suspend proposed date for rates to increase.
Sept. 25, 2003	(35 days + 90 day expansion) rates become effective unless new rates set or denied.

It is recommended that the City Council approve the resolution suspending the TXU Gas Distribution rate increase.

The following actions are recommended at this Council meeting:

- (1) Suspend the rate increase for ninety (90) days; otherwise, the increase is automatically approved at the expiration of thirty-five (35) days.
- (2) Authorize the City Manager and City Attorney or their designee to represent the City in conjunction with other cities in the rate proceeding.

Name

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- (3) Authorize the cooperation with other cities within TXU Gas Distribution System to create a steering committee to hire and direct legal counsel and consultants, negotiate with TXU Gas and to direct any necessary litigation.
- (4) That the City Council authorize the City to intervene in the TXU Gas Distribution's rate case filed at the Railroad Commission.

By law, the City Council has the responsibility of setting the rates for TXU Distribution Company.

By suspending the proposed rate increase, the City Council will be exercising its statutory responsibility to look at the proposed rate increase. The Gas Utility Regulatory Act also requires that the City procure all services necessary for determining and setting the appropriate rates. This is the first state-wide case filed by TXU Gas.

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