

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION AUTHORIZING PARTICIPATION WITH OTHER CITIES IN STUDYING POSSIBILITIES FOR MUNICIPALIZATION OF GAS DISTRIBUTION SERVICES; AUTHORIZING SAID COALITION TO RETAIN COUNSEL AND CONSULTANTS; AUTHORIZING LEGAL COUNSEL TO THE ALLIED COALITION OF CITIES TO ENTER INTO DISCUSSIONS WITH THE PURCHASERS OF TXU'S GAS UTILITIES ASSETS; AUTHORIZING PAYMENT FROM FUNDS RETAINED BY THE STEERING COMMITTEE OF CITIES SERVED BY TXU GAS

WHEREAS, the City of College Station is a regulatory authority with original jurisdiction over the rates and services of gas distribution; and

WHEREAS, the City's significant interest in the fairness and reasonableness of gas distribution rates and services is demonstrated in its participation in the 137 member Allied Coalition of Cities' efforts in the recent TXU's gas rate case before the Railroad Commission of Texas, known as GUD No. 9400; and

WHEREAS, TXU Corporation has sold its gas assets; and

WHEREAS, the transfer of gas distribution assets from TXU to a new owner presents an unique opportunity and environment in which to study the possibility of municipalization of the gas distribution system within the city; and

WHEREAS, it would be wise to initiate regulatory and customer contact as soon as possible with any new owners or successors in interest of TXU's gas assets; and

WHEREAS, there are efficiencies to be gained by joining with other Cities in an evaluation of municipalization and in initiating discussions with the new owners of TXU's gas assets; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

1. That the City Council hereby authorizes and approves the City's participation in a coalition of other cities served by TXU, including but not limited to members of the Allied Coalition of Cities that intervened in TXU's recently completed gas rate case that will jointly study possibilities for municipalization of the gas distribution system from either a regional system or individual city approach.
2. That said coalition is authorized to retain legal counsel and consultants as deemed appropriate by the representatives of participating cities.
3. That rate counsel to ACC, Geoffrey Gay and the law firm of Lloyd, Gosselink, Blevins, Rochelle, Baldwin & Townsend, P.C., is authorized to enter into discussions with the purchaser or purchasers of TXU's gas assets for the purpose of investigating municipalization or establishing appropriate regulatory and franchising arrangements.
4. That costs associated with Coalition efforts implementing this resolution are authorized to be paid from funds currently retained by the Steering Committee of Cities Served by TXU.

ADOPTED this _____ day of _____, 2004.

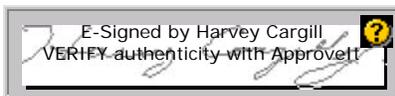
ATTEST:

APPROVED:

Connie Hooks, City Secretary

RON SILVIA, Mayor

APPROVED:



City Attorney