

RESOLUTION NO. _____

A RESOLUTION BY THE CITY OF COLLEGE STATION, TEXAS AUTHORIZING INTERVENTION BEFORE THE RAILROAD COMMISSION OF TEXAS IN GAS UTILITIES DOCKET (GUD) NO. 9530; AUTHORIZING PARTICIPATION WITH OTHER CITIES SERVED BY ATMOS ENERGY CORPORATION, FORMERLY KNOWN AS TXU GAS COMPANY, IN ADMINISTRATIVE AND COURT PROCEEDINGS INVOLVING A GAS COST PRUDENCE REVIEW RELATED TO A FILING MADE IN SEPTEMBER OF 2004 AS REQUIRED BY THE FINAL ORDER IN GUD NO. 8664; DESIGNATING A REPRESENTATIVE OF THE CITY TO SERVE ON A STEERING COMMITTEE; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES

WHEREAS, the City Council of the City of College Station, Texas is a customer of Atmos Energy Corporation, formerly known as TXU Gas Company, (Atmos/TXU Gas) and a regulatory authority with an interest in the rates and charges of Atmos/TXU Gas; and

WHEREAS, Atmos/TXU Gas made a filing at the Railroad Commission of Texas on or about September 24, 2004, now docketed as GUD No. 9530, for a gas cost prudence review of \$2.2 billion in previously incurred and billed gas costs; and

WHEREAS, the filing made by Atmos/TXU Gas was required by the terms of the Final Order of the Railroad Commission in GUD No. 8664; and

WHEREAS, ratepayers of Atmos/TXU Gas, including the City of College Station and its residents would be entitled to a *pro rata* portion of a refund associated with any costs found to have been unreasonable; and

WHEREAS, the City of College Station and its residents could benefit from coordination with other Cities in a review of the reasonableness of the gas costs of Atmos/TXU Gas and the joint participation in the Railroad Commission proceedings and any subsequent litigation or appeal related to those gas costs; and

WHEREAS, the reasonable costs associated with the participation of Cities in this ratemaking proceeding are reimbursable from the Company; now, therefore,

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

1. Intervention is hereby authorized in GUD No. 9530 and/or any successor docket at the Railroad Commission of Texas.

2. The City is authorized to cooperate with other Cities within the Atmos/TXU Gas system and hereby designates Harvey Cargill as a representative to a Cities' Steering Committee that shall direct the efforts of counsel and consultants and the course of settlement and/or litigation before the Railroad Commission or of an appeal to any court regarding any matter related to the gas cost prudence review filing made by Atmos/TXU Gas in 2004.

3. Atmos/TXU Gas shall promptly reimburse the City's reasonable costs associated with the City's participation in GUD No. 9530 or any subsequent proceeding.

Signed this _____ day of _____, 2005.

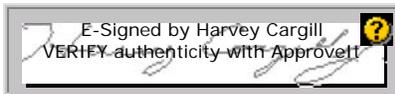
APPROVED:

RON SILVIA, Mayor

ATTEST:

CONNIE HOOKS, City Secretary

APPROVED:



City Attorney