

**CITY OF SANCTUARY  
P.O. BOX 125  
AZLE, TEXAS 76098  
PHONE/FAX (817)677-3008**

**ORDINANCE NO. 43**

**AN ORDINANCE OF THE CITY OF SANCTUARY, TEXAS, FINDING, AFTER REASONABLE NOTICE AND HEARING, THAT TXU GAS DISTRIBUTION'S RATES AND CHARGES WITHIN THE CITY SHOULD BE CHANGED; DETERMINING JUST AND REASONABLE RATES; ADOPTING GENERAL SERVICE RATES INCLUDING RATE ADJUSTMENT PROVISIONS AND MISCELLANEOUS SERVICE CHARGES TO BE CHARGED FOR SALES AND TRANSPORTATION OF NATURAL GAS TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS, PROVIDING FOR RECOVERY OF RATE CASE EXPENSES; PRESERVING REGULATORY RIGHTS OF THE CITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the City of Sanctuary ("City"), acting as a regulatory authority, has previously suspended the effective date of TXU Gas Distribution's ("Company") application to increase rates in the City in order to study the reasonableness of that application;

**WHEREAS**, the City or a consultant retained by the City evaluated the merits of the Company's application;

**WHEREAS**, the City in a reasonably noticed meeting considered the Company's application;

**WHEREAS**, the City has determined that the Company's rates within the City should be changed and that the Company's application should be granted, in part, and denied, in part;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SANCTUARY, TEXAS:**

**SECTION 1.** On March 21, 2002, TXU Gas Distribution, a division of TXU Gas Company ("Company") filed with the Governing Body of this municipality a Statement of Intent to Change Residential, Commercial and Industrial Rates charged to consumers within this municipality. Also filed was the Tariff for Gas Service in the Northwest Region Distribution System ("Tariff for Gas Service") and the supporting Cost of Service Schedules ("Schedules").

**SECTION 2.** That the existing rates and charges of TXU Gas Distribution are hereby found, after reasonable notice and hearing, to be unreasonable and shall be changed as hereinafter ordered. The changed rates resulting from this Ordinance are hereby determined to be just and reasonable rates to be observed and in force within the City.

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**SECTION 3.** The Company has agreed to modify the rates proposed in its Statement of Intent and the modified rates are reflected in the revised Tariff for Gas Service attached hereto as Exhibit A.

**SECTION 4.** The maximum general service rates for sales and transportation of natural gas rendered to residential, commercial and industrial consumers within the city limits of Sanctuary, Texas by TXU Gas Distribution, a division of TXU Gas Company, a Texas corporation, its successors and assigns, are hereby fixed and approved as set forth in the revised Tariff for Gas Service attached hereto as Exhibit A. The rates reflected in the attached Rate Schedules entitled Residential Service, Commercial Service, Industrial Sales, Industrial Transportation and Industrial Sales and Transportation are found to be reasonable. Nothing contained herein shall limit the right of industrial and transportation customers with competitive options to negotiate rates with the Company that differ from approved tariffs.

**SECTION 5.** All electric generation customers are included as Industrial Transportation customers under the applicable transportation rate schedule.

**SECTION 6.** The Gas Cost Adjustment and Tax & Franchise Fee Adjustment set forth in the revised Tariff for Gas Service attached hereto as Exhibit A, are approved.

**SECTION 7.** The Company shall have the right to collect such miscellaneous/service charges identified in Rate Schedules 9001 through 9008 of the attached revised Tariff for Gas Service. Such miscellaneous service charges are necessary to conduct its business and to carry out its reasonable rules and regulations.

**SECTION 8.** Cities' rate case expenses are found to be reasonable and shall be reimbursed by the Company. The Company is authorized to recover the rate case expenses reimbursed to Cities and the Company's rate case expenses not to exceed \$38,000 through a per Mef surcharge as set forth in the Rider entitled Surcharges in the attached revised Tariff for Gas Service. The Company will provide an accounting to the Cities at the conclusion of the recovery period reconciling surcharge recovery.

**SECTION 9.** The aforesaid rate schedules and riders herein approved shall be effective for bills rendered on or after approval of this Ordinance.

**SECTION 10.** The rates set forth in this Ordinance may be changed and amended by either the City or Company in any other manner provided by law. Since hereunder is subject to the orders of regulatory bodies having jurisdiction, and to the Company's Rules and Regulations currently on file with the City.

**SECTION 11.** Unless otherwise noted herein, other than TXU Gas Distribution (a named party), no persons or entity has been admitted as a party to this rate proceeding.



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**SECTION 12.** It is hereby found and determined that said meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place, and purpose of said meeting was given.

**SECTION 13.** This Ordinance shall be served on TXU Gas Distribution by US Mail to the Company's authorized representative, Autry Warren, Rates Manager, TXU Business Services, 1601 Bryan Street, Dallas, Texas 75201-3411.

**SECTION 14.** Nothing contained in this Ordinance shall be construed now or hereafter in limiting or modifying, in any manner, the right and power of the City under law to regulate the rates and charges of TXU Gas Distribution.

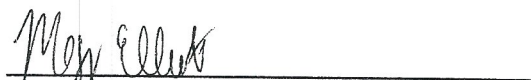
**SECTION 15.** All ordinances, resolutions, or parts thereof, in conflict with this Ordinance are repealed to the extent of such conflict. Examples of such ordinances or resolutions that are deemed repealed are all ordinances or resolutions concerning Military Rates-N, Cost of Service Adjustments, Plant Investment Cost Adjustments, and Weather Normalization Adjustments. To the extent Public Authority Rates (Rate Schedule 154), Commercial Contract Rates (Rate Schedule 156) or Military Rates-N are in effect in the city those rates are specifically repealed as they are now a part of the Commercial rates and are calculated in accordance with the revenue requirements for Commercial customers.

**SECTION 16.** The rate schedules included in the Tariff for Gas Service supersede and replace all other tariffed services provided by TXU Gas Distribution except as expressly contained within the Tariff for Gas Service.

**PASSED AND APPROVED, THIS THE 5<sup>th</sup> DAY OF September, 2002, BY  
THE CITY COUNCIL OF SANCTUARY, PARKER COUNTY, TEXAS.**

  
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Mayor

**ATTEST:**

  
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City Secretary