

RESOLUTION NO. 23-2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, SUSPENDING THE EFFECTIVE DATE OF TXU GAS DISTRIBUTION'S REQUESTED RATE CHANGES TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES WITHIN THE TXU GAS DISTRIBUTION SYSTEM TO CREATE A STEERING COMMITTEE TO HIRE LEGAL AND CONSULTING SERVICES, TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; AUTHORIZING INTERVENTION IN THE PROCEEDING AT THE RAILROAD COMMISSION; AND REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY.

WHEREAS, on or about May 23, 2003, TXU Gas Distribution, a division of TXU Gas Company (the "Company"), filed with the City of Mesquite, Texas (the "City"), a Statement of Intent to change gas rates in all municipalities within the TXU Gas Distribution System; and

WHEREAS, it is reasonable for the City to cooperate with other cities in a review of the Company's application and create a Steering Committee to coordinate the hiring and direction of legal counsel and consultants, to negotiate with the Company and direct any necessary litigation; and

WHEREAS, the Gas Utility Regulatory Act (the "Act") grants local regulatory authorities the right to suspend the effective date of proposed rate changes; and

WHEREAS, the Act provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility; and

WHEREAS, the Act grants local regulatory authorities the right to intervene in rate proceedings filed at the Railroad Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the effective date of the tariff changes submitted by TXU Gas Distribution on or about May 23, 2003, be suspended to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 2. That the City of Mesquite (the "City") is authorized to cooperate with other Cities within the TXU Gas Distribution System to create a Steering Committee to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates and to direct any necessary litigation associated with an appeal of a rate ordinance and the rate case filed at the Railroad Commission.

SECTION 3. That the City's reasonable rate case expenses shall be reimbursed by TXU Gas Distribution.

SECTION 4. That the City is authorized to intervene in TXU Gas Distribution's rate case filed at the Railroad Commission filed on or about May 23, 2003.

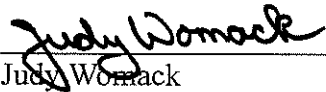
SECTION 5. That a copy of this suspension resolution be forwarded to the appropriate designated representative of the Company within 10 days as follows: Autry L. Warren, Director Gas Regulatory, TXU Business Services, 1601 Bryan Street, Dallas, Texas 75201-3402.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 2nd day of June, 2003.



Mike Anderson
Mayor

ATTEST:



Judy Womack
City Secretary

APPROVED:



B. J. Smith
City Attorney