

RESOLUTION

WHEREAS, Southern Union Gas Company is a regulated public utility which distributes natural gas in the Village of Vinton, Texas pursuant to a franchise granted to the Company by the City on August 22, 1978, in Ordinance Number 1978-9; and

WHEREAS, by Statement of Intent dated June 24, 1993 the Company declared its intent to increase rates effective July 29, 1993 in the El Paso County service area in an amount necessary to increase its gas utility revenues by \$2,726,826; and

WHEREAS, the City suspended the rates for 90 days from the requested effective date; and

WHEREAS, the City now finds that a rate increase of \$463,414 to be recovered by an increase in the customer charge of \$.25 per month effective for bills rendered after November 1, 1993 is reasonable.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE OF VINTON, TEXAS:

1. That the City adopts the identical Stipulation as adopted by the City of El Paso, dated October 7, 1993, a copy of which is attached and incorporated herein by reference; and
2. That the Company is hereby ordered to prepare and present the City, within 30 days of this Order, new rate schedules for gas consumed after the adoption of this resolution increasing the customer charge for each customer class by \$.25 which is intended to increase its overall revenues by \$463,414 in the El Paso County service area; and

4. All relief requested but not granted herein is denied without prejudice;
and

5. That all resolutions or parts of resolutions establishing rates for natural gas delivered by the Company within the City in conflict herewith are to the extent of such conflict only, expressly repealed; and

6. That nothing in this resolution shall be construed in any way or manner, now or hereafter, to limit or modify the right or power of the Village of Vinton pursuant to the laws of the State of Texas to regulate rates charged by Southern Union Gas Company, its successors or assigns for gas services within the Village of Vinton, Texas.

7. Rates adopted by this resolution will be effective on November 1, 1993.

ADOPTED THIS 2 DAY OF September, 1993

Samuel M. Smiley
Mayor

ATTEST:

Annastacia Adams
City Clerk

BEFORE THE PUBLIC UTILITY REGULATION BOARD OF THE CITY OF EL PASO

RE: Application of Southern Union Gas Company for Authority to Change Rates

STIPULATION

WHEREAS, Southern Union Gas Company filed a Statement of Intent to Change Rates within the city limits of the City of El Paso on June 24, 1993, said increase to be effective July 29, 1993, and

WHEREAS, pursuant to the recommendation of the Public Utility Regulation Board of the City of El Paso, the City Council suspended the change of rates for ninety (90) days from the effective date or until October 27, 1993, and

WHEREAS, pursuant to the further recommendation of the Public Utility Regulation Board, the City Council agreed to engage a consultant and counsel to conduct an expedited limited review of the requested increase and Southern Union Gas Company agreed to cooperate in an expedited investigation, and

WHEREAS, pursuant to the review and further discussions between the City's consultant, counsel and representatives of Southern Union Gas Company, it was agreed that a reasonable resolution of the request is to resolve it by stipulation.

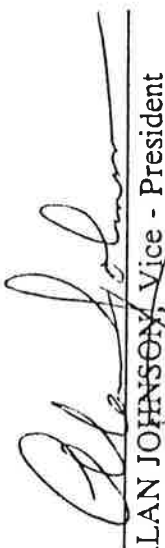
IT IS HEREBY STIPULATED AND AGREED by and between Southern Union Gas Company and the undersigned counsel for the City that the above-described rate increase request of Southern Union Gas Company should be resolved in the following manner:

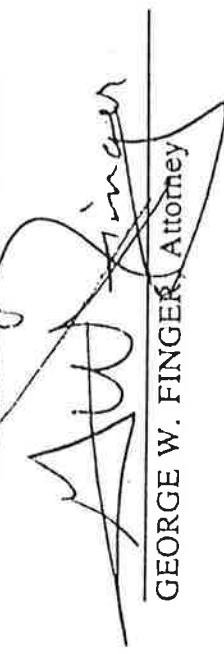
1. Southern Union Gas Company should be authorized an increase in its El Paso County service area of \$463,414 based on March 31, 1993, test year annualized revenues.
2. Said increase shall be realized by virtue of an increase in the customer charge of \$0.25 (twenty-five cents) per month for each customer class.
3. Said increase shall be effective for bills rendered on and after November 1, 1993, and said rates shall continue until such time as the City Council shall authorize or change rates according to law.
4. Said rate increase is deemed to be predicated upon a rate of return of 11.75% to common equity and 11.478% return on the original cost rate base of \$47,341,728.
5. Southern Union Gas Company agrees to reimburse the City, the City's rate case expenses as found reasonable by the City Council within 30 days of the resolution approving the increase.

6. The agreements and principles involved in the calculation of this increase are deemed to be applicable to this case only. None of the principles involved in the calculation of the rate increase and/or agreements made to arrive at this stipulation shall be binding on either Southern Union Gas Company or the City of El Paso in future rate determinations for Southern Union Gas Company.
7. This agreement is contingent upon the Public Utility Regulation Board, after consideration, recommending approval to the City Council and acceptance and adoption of the rate increase by the City Council.
8. Should the City Council not approve the proposed increase, Southern Union Gas Company shall be free to urge approval of the full amount of its request and the City shall be free to further evaluate, investigate and consider the request with an appropriate extension of the effective date.

Approved and recommended on the 8th day of September, 1993.

SOUTHERN UNION GAS COMPANY,
a Division of Southern Union Company,

By: 
ALAN JOHNSON, Vice - President


GEORGE W. FINGER, Attorney

COUNSEL FOR THE CITY OF EL PASO


NORMAN J. GORDON