

**RESOLUTION # 2011-8-16-2**

**WHEREAS**, Texas Gas Service Company, an operating division of ONEOK, Inc. ("Company"), is a regulated utility subject to the exclusive original jurisdiction of the Village of Vinton for rates services and operations within the Village of Vinton and operates pursuant to an assignment of a franchise previously granted to Southern Union Company;

**WHEREAS**, on May 2, 2011, the Company filed a Statement of Intent to Change Rates pursuant to Texas Utilities Code Sec. 104.301 (Interim Adjustment for Changes in Investment, also known as Gas Reliability Infrastructure Program, or "GRIP") requesting an interim adjustment of \$1,131,764 for the El Paso Service area and specifying an effective date of July 1, 2011;

**WHEREAS**, the Village of Vinton Council finds that the Company gave notice of the increase by means of billing inserts on, and by posting the filing and notice on the Company's website commencing May 2, 2011, proof of which is attached to this Resolution as Exhibit "A";

**WHEREAS**, the Village of Vinton Council finds that, calculations of return, depreciation, ad valorem taxes, and federal income tax rates are consistent with the findings of the Railroad Commission of Texas in Gas Utilities Docket 9988, GUD No. 9988 & 9992 (Consolidated); *Petition of Texas Gas Service Company, a Division of Oneok, Inc., for Review of Rate setting Actions of the Municipalities of City of El Paso, Anthony, Clint, Horizon City, Socorro and Vinton;*

**WHEREAS**, the Village of Vinton Council finds that a reasonable amount to represent the recovery permitted under the Texas Utilities Code Sec. 104.301 ("**GRIP** Statute") for the change in investment for the year ending December 31, 2010, is \$1,040,264, assigned to customer classes through a change in the monthly customer charge for residential customers of \$0.31, commercial \$1.00, industrial \$11.84 and standby \$11.84, public authority \$3.57, municipal pumping \$15.73 and transportation customers \$59.29;

**WHEREAS**, the Village of Vinton Council finds that it is reasonable to allow the Company to defer recovery of expenses incurred by the Village of Vinton in connection with this proceeding until the next general rate case, such deferral to be without interest or return;

**BE IT RESOLVED BY THE VILLAGE OF VINTON COUNCIL:**

1. That Texas Gas Service Company be allowed to implement an interim rate adjustment pursuant to Texas Utilities Code Sec. 104.301, due to changes in the value of invested capital in the El Paso service area for the period from May 31, 2010 through December 31, 2010, in the amount of \$1,040,264 for the El Paso distribution system allocated among customer classes as provided in the rate schedules attached as Exhibit "B" to this resolution effective for gas service rendered on or after August 16, 2011, subject to the remaining terms of this Resolution.
2. That Texas Gas Service Company is ordered to continue to comply in all respects with the annual filings required under Texas Utilities Codes Sec. 104.301.
3. That the recovery of expenses (including expenses incurred by Texas Gas Service Company) related to this proceedings deferred until the next general rate case, but no interest or return will be allowed on such recovery.

ADOPTED this 16 day of August 2011.

ATTEST:

  
Jessica Garza, City Clerk

THE VILLAGE OF VINTON

  
Madeleine Praino, Mayor

**AFFIDAVIT OF NOTICE**

BEFORE ME, the undersigned authority, on this day personally appeared Lori Moreno, who being by me duly sworn, deposed as follows:

1. My name is Lori Moreno. I am over twenty-one (21) years of age, of sound mind, capable of making this affidavit, and have personal knowledge of the facts herein stated, and I hereby swear and affirm that those facts are true and correct.
2. I am employed as the Manager - Communications for Texas Gas Service Company, a division of ONEOK, Inc. ("TGS").
3. TGS is a provider of natural gas utility service to customers located within TGS' El Paso Service Area, which includes the cities of El Paso and Socorro; the Towns of Clint, Anthony, and Horizon City; and the Village of Vinton, Texas(collectively, the "Cities").
4. The notice attached hereto is true and correct. A copy of same will be provided by means of a bill insert to each TGS customer in the Cities not later than 45 days after the filing hereof, in accordance with the requirements of Section 104.301(a) of the Texas Utilities Code.

  
Lori Moreno \_\_\_\_\_

SUBSCRIBED AND SWORN to before me on the 9 day of April, 2011.



474 et...f.4,- Casey  
Notary Public in and for the State of Texas

My commission expires.. April 3

**INTERIM RATE ADJUSTMENT**

**A. APPLICABILITY**

~~This Interim Rate Adjustment~~ (ERA) applies to all general service rate schedules of Texas Gas Service Company (Company) currently in force in the incorporated areas of El Paso, Anthony, Clint, Vinton, Socorro, and Horizon City, Texas. Applicable rate schedules include 10, 20, 21, 25, 26, 27, 40, SS, C-1, and T-1.

**B. PURPOSE**

~~Section 104.301, Subchapter~~ G of the Texas Utility Code, effective on September 1, 2003, provides for an interim adjustment in a gas utility's monthly customer charge or initial block usage rate to recover the cost of changes in the utility's infrastructure investment and related expenses and revenues for providing gas utility service. The filing date of the utility's most recent rate case establishing rates for the area in which the interim rate adjustment will apply shall be no more than two years prior to the date the utility files its initial interim rate adjustment application for that area. The interim adjustment shall be recalculated on an annual basis, unless the utility files a written request and obtains approval from the regulatory authority to suspend the operation of the interim adjustment rate schedule for any year. This rate schedule establishes the interim adjustment provisions consistent with Section 104.301, Subchapter G of the Texas Utility Code.

**C. BILLING**

The following Interim Rate Adjustments will be added to the applicable Rate Schedule Customer Charge for each billing period: monthly

Rate Schedule	Customer Class	Current Customer Charge	Interim Rate Adjustment	Total Customer Charge
10	Residential	\$10.80	\$0.31	\$11.11
20	Commercial	\$18.30	\$1.00	\$19.30
21	Commercial A/C	\$18.30	\$1.00	\$19.30
25	Public Authority	\$32.71	\$3.57	\$36.28
26	Public Auth A/C	\$32.71	\$3.57	\$36.28
27	Municipal Water Pumping	\$121.75	\$15.73	\$137.48
40	Industrial	\$84.01	\$11.84	\$95.85
SS	Standby	\$125.00	\$11.84	\$136.84
C-1	Cogeneration	\$300.50	\$59.29	\$359.79
T-1	Transportation	\$300.50	\$59.29	\$359.79

All applicable fees and taxes will be added to the above rate.

Initial

August 16, 2011

Meters Read On and After

**INTERIM RATE ADJUSTMENT  
(Continued)**

**D. COMPUTATION OF IRA RATE**

The amount the Company shall adjust its utility rates upward or downward under this rate schedule each calendar year is based on the difference between the value of the invested capital for the preceding calendar year and the value of the invested capital for the calendar year preceding that calendar year. The value of the invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment.

Based on the difference between the values of the invested capital amounts as determined above, the Company may adjust only the following related components of its revenue requirement: return on investment, depreciation expense, ad valorem taxes, revenue related taxes and incremental federal income taxes. The factors for these components shall be the same as those established in the Company's most recent rate case for the service area in which this interim rate adjustment is to be implemented.

The revenue requirement calculated pursuant to this rate schedule shall be allocated among the Company's customer classes for this service area in the same manner as the cost of service was allocated among customer classes in the Company's latest effective rates for this area.

**E. FILING WITH THE REGULATORY AUTHORITY**

1. The Company shall file either the initial interim adjustment or the annual interim adjustment with the regulatory authority at least 60 days before the proposed implementation date. During the 60-day period, the regulatory authority may act to suspend implementation of the adjustment.
2. The Company shall provide notice to customers by bill insert or direct mail not later than the 45<sup>th</sup> day after the date of filing the interim adjustment.
3. The Company shall file with the regulatory authority an annual report describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. The annual report shall also state the cost, need, and customers benefited by the change in investment.
4. In addition, the Company shall file with the regulatory authority an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. Should the Company earn a return of more than 75 basis points above the return established in the latest effective rates implemented under this rate schedule, the Company shall file a statement stating the reasons why the rates are not unreasonable or in violation of the law.
5. After the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, any change in investment that has been included in an approved interim adjustment shall no longer be subject to subsequent review for reasonableness or prudence. All amounts collected under this rate schedule are subject to refund until the issuance of a final decision in the next rate case filing for this service area.
6. The Company shall file a rate case no later than the 180<sup>th</sup> day after the fifth anniversary date its initial interim rate adjustment for this service area became effective.
7. The provisions under Section 104.301, Subchapter G of the Texas Utility Code for this interim adjustment do not limit the power of the regulatory authority under Section 104.151.

Initial

Meters Read On and After

August 16, 2011

