

RESOLUTION NO. 12-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS, SUPPORTING THE LEGISLATIVE ACTIVITY AND GOALS OF THE ATMOS TEXAS MUNICIPALITIES ("ATM") BEFORE THE TEXAS LEGISLATURE AS THEY RELATE TO THE SETTING OF NATURAL GAS RATES AND REGULATION OF GAS UTILITIES; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION WAS PASSED WAS IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Commerce, Texas, hereinafter referred to as "City", is a member of Atmos Texas Municipalities ("ATM"); and,

WHEREAS, ATM has participated in numerous gas utility ratemaking proceedings before the Railroad Commission of Texas ("RRC"); and

WHEREAS, during the 83rd Regular Session of the Texas Legislature the Railroad Commission of Texas, which, among other matters, sets gas utility rates on appeal from decisions made by municipalities, will be up for Sunset Review; and,

WHEREAS, during Sunset Review the Legislature may consider major changes with regard to the jurisdiction, structure, and operations of the Railroad Commission, including amending, altering or eliminating laws which affect gas utility ratemaking; and

WHEREAS, the City supports ATM's participation in the interim period leading up and during the 83rd Texas Legislature in order to improve regulatory decision-making in gas utility ratemaking proceedings both before the City and before any state agency that is authorized to regulate gas utilities and including the setting of rates that affect ratepayers within the City;

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

Section 1. The findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City directs ATM to oppose legislation that allows for:

- Rate increases based upon a formula or pre-set criteria.
- The elimination or reduction in the ability of incorporated municipalities to effectively participate in the rate-setting process.
- The elimination or reduction in the ability of incorporated municipalities to effectively exercise original jurisdiction to set rates.
- A process for the setting of rates that does not permit a complete and thorough review of capital expenditures or operating expenses by gas utilities.

Section 3. The City directs ATM to support legislation that allows for:

- The continuation of original jurisdiction by municipalities over gas utility ratemaking.
- The State Office of Administrative Hearings (“SOAH”) to preside over all contested hearings involving gas utility ratemaking where a state regulatory agency is exercising original or appellate jurisdiction.
- The designing of rates that encourage the wise and efficient use of natural gas.

Section 4. The City authorizes the ATM Steering Committee to hire and direct legislative advocates acting on its behalf in the interim period leading up to and during the 83rd Regular Session of the Texas Legislature.

Section 5. The City is not obligated to support the ATM legislative effort out of its own funds.

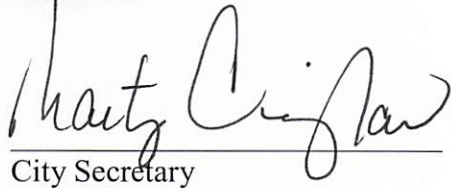
Section 6. That a copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, Texas 78701.

Section 7. That the meeting at which this resolution was adopted was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

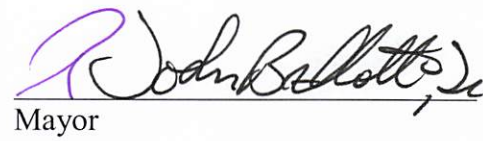
Section 8. That this resolution shall become effective from and after its passage.

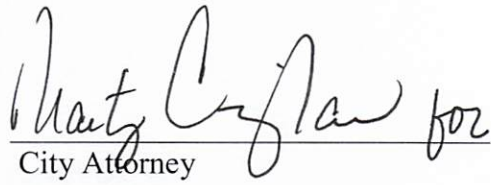
PASSED AND APPROVED this 16th day of October 2012.

ATTEST:


City Secretary

CITY OF COMMERCE:


Mayor


City Attorney