

ORDINANCE NO. 093-042

AN ORDINANCE BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, ESTABLISHING A FUND FOR THE DEPOSIT, INVESTMENT AND USE OF THE DECEMBER 1993, TEXAS UTILITIES ELECTRIC COMPANY FRANCHISE FEE ONE TIME ADJUSTMENT; PROVIDING FOR THE USE OF PRINCIPAL AND INTEREST EARNINGS OF THE RESERVE FUND; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Texas Utilities Electric Company ("TUEC") will pay to the Town of Addison a one time adjustment to the franchise fee payment in August 1993, and will increase the franchise fee from 3% to 4% as provided in Section 1 and 2 of Ordinance No. 093-041, amending the franchise between the Town of Addison and TUEC; and

WHEREAS, the City Council has determined that a reserve fund should be established for the deposit of the TUEC one time adjustment of franchise fees to be paid on or by August 1993, and any supplemental funds allocated from the franchise fees paid to the City by TUEC, with said funds to be used to fund future ratemaking expenses (general rate cases) pursuant to the TUEC franchise ordinance; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS,

Section 1. That the provisions stated in the preamble are herein incorporated.

Section 2. That the City Manager is hereby authorized to establish the Rate Case Reimbursement Fund, as a depository for the one time adjustment to the franchise fee, to be paid by August 1, 1993; which shall be used for: (i) investments described in Section 3, (ii) future ratemaking expenses otherwise reimbursable under Section 24 of the Public Utility Regulatory Act, arising during the term of the current TUEC franchise, and (iii) the General Fund, as provided in Section 4 herein.

Section 3. That the Director of Finance is hereby authorized to purchase investments authorized for this Rate Case Reimbursement Fund, as permitted under the Public Funds Investment Act of 1987, as amended, and the City's investment policy.

Section 4. That throughout the term of the current TUEC franchise, the principal and interest earnings from investment of the Rate Case Reimbursement Fund shall be used for: (i) future ratemaking expenses otherwise reimbursable under Section 24 of the Public Utility Regulatory Act, arising during the term of the current TUEC franchise, and (ii) the General Fund, as provided in Section 4 herein.

Section 5. That the City Council may authorize the expenditure of funds from the Rate Case Reimbursement Fund for certain future TUEC rate case expenses, otherwise reimbursable by TUEC under Section 24 of the Public Utility Regulatory Act, arising during the current TUEC franchise term.

Section 6. Should the Rate Case Reimbursement Fund exceed \$50,000, the City Council from time to time may authorize the transfer (to the general operating fund of the City) of any or all of those funds exceeding \$50,000 to be used for any authorized expenditure of that fund, if it is determined by the City Council, upon recommendation from the City Manager, that adequate funds remain available in the fund for anticipated rate case expenses.

Section 7. The City Council may from time to time determine that additional funds from the general operating budget should be transferred to the Rate Case Reimbursement Fund should the balance of the fund not be sufficient for anticipated rate case expenses.

Section 8. That this ordinance shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the Town of Addison.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON,
TEXAS, this the 13th day of July, 1993.


MAYOR

ATTEST:


CITY SECRETARY

OFFICE OF THE CITY SECRETARY

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