

TOWN OF ADDISON, TEXAS

ORDINANCE NO. 002-032

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS EXTENDING THE TERM OF ORDINANCE NO. 783 OF THE CITY GRANTING A FRANCHISE TO PROVIDE TO GAS UTILITY SERVICE WITHIN THE CITY TO LONE STAR GAS COMPANY, PREDECESSOR IN INTEREST TO TXU GAS DISTRIBUTION, A DIVISION OF TXU GAS COMPANY, SUCH EXTENSION BEING UNTIL THE EARLIER OF (I) DECEMBER 31, 2002, OR (II) SUCH TIME AS A NEW FRANCHISE ORDINANCE REGARDING THE PROVISION OF GAS SERVICES WITHIN THE CITY BY THE SAID COMPANY IS EFFECTIVE; PROVIDING FOR TWO READINGS OF THIS ORDINANCE; PROVIDING FOR FINAL PASSAGE NOT EARLIER THAN THIRTY (30) DAYS AFTER THE DATE OF THE FIRST READING OF THIS ORDINANCE; PROVIDING AN EFFECTIVE DATE THIRTY (30) DAYS AFTER THE DATE OF THE FINAL PASSAGE.

WHEREAS, TXU Gas Distribution, a Division of TXU Gas Company, a Texas Corporation (hereinafter called "Company"), has represented to the Town of Addison, Texas ("City") that it is the successor in interest to Lone Star Gas Company and is engaged in the business of providing gas utility service within the City and is using the public streets, alleys, highways, and thoroughfares within the City for the purpose set forth under and pursuant to the terms of Ordinance No. 783 of the City heretofore adopted on April 13, 1982, and duly accepted by Company's predecessor in interest, Lone Star Gas Company (the "Gas Franchise Ordinance"); and

WHEREAS, the City, by its adoption of the Gas Franchise Ordinance, granted to Lone Star Gas Company for a period of twenty (20) years consent to use and occupy the streets, alleys, highways, and public thoroughfares for the purpose of laying, maintaining, constructing, operating, and replacing therein and thereon pipelines and all other appurtenant equipment needed and necessary to deliver gas in, out of, and through the City, and to sell gas to persons, firms, and corporations within the City's limits; and

WHEREAS, the said twenty (20) year period has expired, but the City and the Company since the date of expiration have continued to operate under the terms and conditions of the Gas Franchise Ordinance, and desire hereby to extend the Gas Franchise Ordinance until the earlier of December 31, 2002 or such time as the City and the Company have entered into a new agreement regarding the provision of gas services within the City; and

WHEREAS, TXU Gas Company has affirmed and hereby affirms its intention to negotiate in good faith with the City for development and approval of a new franchise agreement.

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein.

Section 2. Ordinance No. 783 of the Town of Addison is hereby extended until December 31, 2002 or until such time as a new franchise ordinance regarding the provision of gas services within the City by the Company has become effective under the terms of the Town of Addison City Charter, whichever is earlier.

Section 3. On or before October 1, 2002, Company shall indicate its acceptance of the terms hereof by causing this Ordinance to be executed by a duly authorized officer of the Company, and Company agrees to be bound by all of its terms, conditions, and provisions, subject to applicable law by signing below. If Company does not provide such agreement, this Ordinance and extension of the Gas Franchise Ordinance shall be voidable at the City's sole discretion.

Section 4. This Ordinance shall be, and has been upon the date of passage, read at two (2) separate regular meetings of the City Council; the date on which this Ordinance is passed is thirty (30) days after the date of the first reading; and this Ordinance shall take effect thirty (30) days after its final passage.

FIRST READING: August 27, 2002

SECOND READING: September 10, 2002

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 8th day of October, 2002.

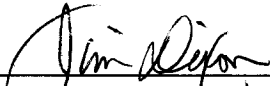


Mayor R. Scott Wheeler

ATTEST:
By: 
Carmen Moran, City Secretary

ACCEPTED AND AGREED TO:

TXU GAS DISTRIBUTION,
a Division of TXU Gas Company,
a Texas Corporation, and being the
successor in interest to Lone Star Gas Company

By: 
Typed/printed Name: Jim Dixon
Title: Vice President - Gas Operations

Signed this 30th day of Sept, 2002.