

MAY 18, 1995

11:00 A.M.

SPECIAL CALLED COUNCIL MEETING
CITY COUNCIL CHAMBERS
226 SOUTH WALL STREET

PRESENT: JOHN D. MEADOWS, III, MAYOR
THOMAS BOND, MAYOR PRO-TEM
JIMMY PALMER, COUNCILMAN

ABSENT: JOHN D. SHELTON, COUNCILMAN
PAUL MCENTIRE, COUNCILMAN

ALSO: KELLY CORNWELL, DIRECTOR UTILITIES/PUBLIC
WORKS
CATHY HARRISON, CITY ADMINISTRATOR

1. Mayor Meadows welcomed Brian A. Fox of Tenaco and Bill Brooks, who presently serves as the City's advisor in reference to the City entering the natural gas retail sales business.
2. Mayor Meadows stated the purpose of the meeting was for the City to explore the possibility of requesting an intervention in the current expansion application being filed by SONAT. When the City originally filed an application for a tap on the SONAT line, the City understood the expansion was closed to other applicants, however, the City has been able to determine that the City has the right to request an intervention provided it post a \$10,000.00 bond with its application for intervention. Kelly Cornwell and Bill Brooks explained the City's ability to intervene in the expansion which will allow the City to acquire firm transportation on the SONAT line, and which will allow the City to serve its retail customers uninterrupted natural gas flow, as opposed to the interruptible gas flow it had considered earlier. Following questions by Mayor Meadows, Mayor Pro-Tem Bond, Councilman Palmer and Administrator Harrison, Cornwell and Brooks confirmed that it would be most helpful if the City had firm transportation on the Sonat line prior to approaching prospective customers to sign contracts with the City for retail sales. Since the filing for the intervention in the expansion will require the City to sign a ten year contract for maximum volume of 30,000 MMBtu, the City had asked for and received written confirmation from Tenaco Gas Marketing Company and from CC Pace Resources, stating that either company could assure the City that should its intervention be successful in obtaining firm transportation on the SONAT line for a maximum volume, that should the maximum volume not be sold at any particular time, they would be able to successfully market those amounts not sold. Following further discussion, Mayor Pro-Tem Bond made a motion to approve a \$10,000.00 expenditure for a deposit bond to accompany the application for filing the intervention in the expansion request by SONAT, 2nd by Councilman Palmer, with Mayor Pro-Tem Bond, Councilman Palmer and Mayor Meadows voting affirmatively, motion carried.
3. Mayor Pro-Tem Bond made a motion to adjourn, 2nd by Councilman Palmer with Mayor Pro-Tem Bond, Councilman Palmer and Mayor Meadows voting affirmatively, motion carried.

Approved:

Submitted:


John D. Meadows, III
Mayor


Cathy Harrison
City Administrator