

GUD NO. 9958

AGREED APPLICATION FILED BY	§	
LONGHORN PIPELINE COMPANY TO	§	BEFORE THE
ABANDON AND PERMANENTLY	§	RAILROAD COMMISSION
DISCONTINUE SERVICE TO THE CITY	§	OF TEXAS
OF BENAVIDES, TEXAS	§	

AGREED FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, et seq. (Vernon 2004 & Supp. 2009). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. On March 19, 2010, Longhorn Pipeline Company ("Longhorn") filed an Agreed Application to abandon gas service to a pipeline owned by the City of Benavides, Duval County, Texas ("City"), a copy of which is attached as Appendix A. The City's pipeline provides gas to the City owned gas distribution system. Longhorn is a gas utility subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. Because a substantial number of the City's customers have historically not paid for gas service received from the City, and because of a dwindling customer base, the City has been unable to keep up with payments for gas delivered by Longhorn.
3. The City and Longhorn have used the Commission's mediation service and as a result have reached an agreement. That agreement is incorporated in the Agreed Application. The City and Longhorn have also agreed to the form and content of this Agreed Final Order. The Agreement between Longhorn and the City is contingent upon the adoption of this Agreed Final Order.
4. Longhorn will provide \$275,000 to the City for the purpose of assisting the City in its efforts to help its customers who will switch to alternate forms of energy. Longhorn has agreed to forgive the amounts due from the City for gas service and continue to provide service until the agreed abandonment date.

5. The agreement provides financial assistance to the City which Longhorn would not otherwise be legally obligated to provide and is therefore reasonable and in the public interest.
6. Longhorn's Agreed Application to abandon contained the information required for such applications in 16 TEX. ADMIN. CODE § 7.465(a)(1) (2002), is complete and contains all necessary information required for review of the application by the Commission and its staff.
7. The City and Longhorn have stipulated that it is reasonable, necessary, and in the public interest to allow Longhorn to abandon gas service to the City because continued service by Longhorn is not economically feasible.
8. It is reasonable, necessary, and in the public interest to allow Longhorn to abandon gas service to the City pursuant to the terms of the Agreed Application negotiated between the City and Longhorn.
9. Longhorn and the City have waived Notice and the issuance of a Proposal for Decision, the opportunity for Exceptions and Replies, the filing of Motions for Rehearing, and any appeal of this order.

CONCLUSIONS OF LAW

1. Longhorn Pipeline Company is a gas utility as defined in TEX. UTIL. CODE ANN. §§ 101.003(7), 121.001 (Vernon 2007 & Supp. 2009) and is subject to the Commission's jurisdiction under TEX. UTIL. CODE ANN. §§ 104.001, 121.051 (Vernon 2007 & Supp. 2009).
2. The Commission has the authority to review, revise, and regulate an order or agreement that establishes a price, rate, rule, regulation, or condition of service under TEX. UTIL. CODE ANN. § 121.153 (Vernon 2007).
3. A gas utility shall obtain written Commission approval prior to the abandonment or permanent discontinuance of service to any local distribution company or city gate customer that involves the removal or abandonment of utilities other than a meter pursuant to 16 TEX. ADMIN. CODE § 7.465(a)(6) (2002).
4. Longhorn has met its burden to prove that its proposal to abandon gas service to the City owned pipeline is reasonable and necessary and not contrary to the public interest under 16 TEX. ADMIN. CODE § 7.465(a)(6) (2002).

5. Both Longhorn and the City have waived Motions for Rehearing and the right to appeal this order. This order will therefore become final and not subject to appeal upon its execution by the Commission.

IT IS THEREFORE ORDERED that Longhorn Pipeline Company's ("Longhorn") Agreed Application to Abandon gas service to the City of Benavides is hereby **GRANTED**.

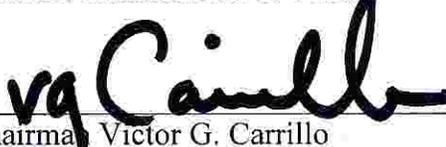
IT IS FURTHER ORDERED that Longhorn shall not abandon gas service to the City prior to July 1, 2010, but is authorized to do so at any time after that date. Longhorn will not charge the City for gas delivered prior to the termination date and will forgive amounts due for past gas service.

IT IS FURTHER ORDERED that Longhorn will provide financial assistance in the amount of \$275,000 to the City as provided in the Agreement within five business days after the entry of this Order and will provide documentation of such action to the Director of the Gas Services Division.

IT IS FURTHER ORDERED that all proposed Findings of Fact and Conclusions of Law, not specifically adopted herein, are **DENIED**.

Signed on this 14th day of April 2010.

Railroad Commission of Texas


Chairman Victor G. Carrillo


Commissioner Elizabeth A. Jones


Commissioner Michael L. Williams

Attest:


Secretary

AGREED AND ACCEPTED on March 18, 2010.

LONGHORN PIPELINE COMPANY

By: *Mary Ann Pearce*
Name: Mary Ann Pearce
Title: Vice President

CITY OF BENAVIDES

By: _____
Honorable Cynthia Canales
Mayor, City of Benavides

AGREED AND ACCEPTED on March 18, 2010.

LONGHORN PIPELINE COMPANY

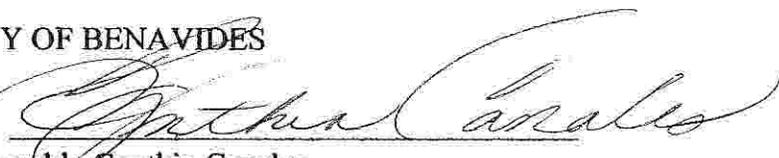
By: _____

Name:

Title

CITY OF BENAVIDES

By: _____



Honorable Cynthia Canales

Mayor, City of Benavides