

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WHEREAS, there was finally passed and approved on October 29, 2002, Ordinance No. 02-1029A granting to TXU Gas Distribution, a Division of TXU Gas Company, a corporation, its successors and assigns, a franchise to furnish and supply gas to the general public in the City of Bells, Grayson County, Texas, for the transporting, delivery, sale and distribution of gas in, out of and through said municipality for all purposes, which is recorded in the Minutes of the City Council of said City; and

WHEREAS, Section 8 of said ordinance provides as follows:

"SECTION 8: In order to accept this franchise, Company must file with the City Secretary its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by City. If such written acceptance of this franchise ordinance is not filed by Company, the franchise ordinance shall be rendered null and void."

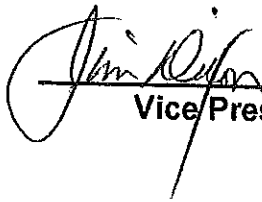
AND, WHEREAS, it is the desire of TXU Gas Distribution, a Division of TXU Gas Company, the holder of the rights, privileges and grants under the aforesaid franchise ordinance, to comply with the above-quoted provisions of Section 8 thereof.

NOW, THEREFORE, premises considered, TXU Gas Distribution, a Division of TXU Gas Company, acting by and through its duly authorized officers, and within the time prescribed by Section 8 quoted above, does hereby agree to and accept the franchise granted to it by the above-described ordinance, in accordance with its

terms, provisions, conditions and requirements and subject to the stipulations and agreements therein contained.

WITNESS THE EXECUTION HEREOF, on this the 11th day of November, 2002.

TXU GAS DISTRIBUTION
A DIVISION OF
TXU GAS COMPANY




Vice President

STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF BELLS §

I, JULIA TRIMBLE City Secretary of the City of Bells, Texas,
do hereby certify that the above and foregoing is a true and correct copy of a formal
acceptance of a franchise ordinance finally passed and approved by said City on
October 29, 2002, and of record in the Minutes of the City; and I do further certify
that said acceptance has been duly presented to the City Council and filed in
connection with and as a part of said franchise ordinance.

OF WHICH, witness my official signature and the seal of said City on this the
18 day of NOVEMBER, 2002.



City Secretary
City of Bells, Texas