

RESOLUTION NO. 2020-12-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, SUSPENDING THE JANUARY 23, 2021 EFFECTIVE DATE OF COSERV GAS, LTD.'S REQUESTED INCREASE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES IN THE COSERV GAS, LTD. SERVICE AREA; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; AUTHORIZING INTERVENTION IN DOCKET OS-20-00005136 AT THE RAILROAD COMMISSION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL

WHEREAS, on or about November 13, 2020, CoServ Gas, Ltd. ("CoServ" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102, filed with the City of McKinney, Texas ("City") a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the Company's service area, effective January 23, 2021; and

WHEREAS, the City is a gas customer of CoServ and a regulatory authority with exclusive original jurisdiction over the rates and charges of CoServ within the City; and

.WHEREAS, it is reasonable for the City of McKinney, Texas to cooperate with other similarly situated cities in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

WHEREAS, CoServ has filed an application with the Railroad Commission, Docket No. OS-20-00005136 that could become the docket into which appeals of city action on the CoServ filing are consolidated; and

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. That the January 23, 2021, effective date of the rate request submitted by CoServ on or about November 13, 2020, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

Section 2. That the City is authorized to cooperate with other cities in the CoServ service area to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Railroad Commission.

Section 3. That, subject to the right to terminate employment at any time, the City of McKinney, Texas hereby authorizes the hiring of Thomas Brocato of the law

firm of Lloyd Gosselink Rochelle & Townsend, P.C., and consultants to represent the City in all matters associated with the CoServ application to increase rates and appeals thereof.

- Section 4. That intervention in Railroad Commission Docket No. OS-20-00005136 is authorized.
- Section 5. That the City's reasonable rate case expenses shall be reimbursed by CoServ.
- Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.
- Section 7. A copy of this Resolution shall be sent to CoServ, care of Charles Harrell, CoServ Gas, Ltd. 7701 South Stemmons Freeway, Corinth, Texas 76210 (CHarrell@coserv.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 15th DAY OF DECEMBER, 2020.

CITY OF MCKINNEY, TEXAS

GEORGE C. FULLER
Mayor

ATTEST:

EMPRESS DRANE
City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney