

RESOLUTION NO. 2023-08-XXX (R)

RESOLUTION OF THE CITY OF MCKINNEY, TEXAS SUSPENDING THE SEPTEMBER 1, 2023 EFFECTIVE DATE OF COSERV GAS, LTD.'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES IN THE COSERV SERVICE AREA, TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF THE STEERING COMMITTEE OF CITIES SERVED BY COSERV GAS' 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 July 28, 2023, 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 its service area, effective September 1, 2023; and

WHEREAS, the City is a gas utility customer and a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, § 104.001 et seq. of GURA has exclusive original jurisdiction over CoServ’s rates, operations, and services within the City; and

WHEREAS, in order to maximize the efficient use of resources and expertise, it is reasonable for the City to cooperate with other 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, it is not possible for the City to complete its review of CoServ’s filing by the September 1, 2023, effective date proposed in CoServ’s Statement of Intent; and

WHEREAS, the City will need an adequate amount of time to review and evaluate CoServ’s rate application to enable the City to adopt a final decision as a local regulatory authority with regard to CoServ’s requested rate increase; and

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

WHEREAS, GURA § 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 findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.
- Section 2. That the September 1, 2023, effective date of the rate request submitted by CoServ on July 28, 2023, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.
- Section 3. That the City is authorized to cooperate with other cities in the CoServ

service area, CoServ Gas Cities, and subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas L. Brocato of the law firm of Lloyd Gosselink Rochelle and Townsend, P.C. and consultants, to review CoServ's filing, 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 4. That the City's reasonable rate case expenses shall be reimbursed by CoServ.

Section 5. 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 6. That a copy of this Resolution shall be sent to CoServ, care of Charles D. Harrell, CoServ Gas Ltd., 7701 South Stemmons, Corinth, Texas 76210-1842, and to Thomas Brocato, counsel for CoServ Gas Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725 (tbrocato@lglawfirm.com).

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 15th DAY OF AUGUST, 2023.

CITY OF MCKINNEY, TEXAS

GEORGE C. FULLER
Mayor

ATTEST:

EMPRESS DRANE, City Secretary
TENITRUS BETHEL, Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney