

CITY OF DRIPPING SPRINGS

RESOLUTION No. 2024-R018

A RESOLUTION OF THE CITY OF DRIPPING SPRINGS, TEXAS DENYING TEXAS GAS SERVICE COMPANY’S REQUESTED RATE INCREASE; REQUIRING THE COMPANY TO REIMBURSE THE CITY’S REASONABLE RATEMAKING 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 THE CITY’S LEGAL COUNSEL.

WHEREAS, the City of Dripping Springs, Texas (“City”) is a gas utility customer of Texas Gas Service Company (“TGS” or “Company”), a Division of ONE Gas, Inc., and is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and has exclusive original jurisdiction over TGS’s rates, operations, and services within the City; and

WHEREAS, the City cooperated with a coalition of similarly situated cities served by the Company that have joined together to facilitate the review and response to natural gas issues affecting rates charged in TGS’s Central-Gulf Service Area (“TGS Cities”); and

WHEREAS, on or about June 3, 2024, the Company filed a Statement of Intent to increase gas rates in all municipalities exercising original jurisdiction within the incorporated areas of the Central-Gulf Service Area; and

WHEREAS, TGS proposed July 8, 2024, as the effective date for its requested increase in rates; and

WHEREAS, the City passed resolution No. 2024 R-008 to suspend the effective date of TGS’s requested rate increase for the maximum period allowed by law, until October 4, 2024; and

WHEREAS, TGS Cities hired and directed legal counsel and consultants to prepare a common response to the Company’s requested system-wide rate increase, which resulted in a conclusion that TGS’s rates are not reasonable and a recommendation that the rate request be denied; and

WHEREAS, the GURA § 103.022 provides that costs incurred by TGS 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 DRIPPING SPRINGS, TEXAS:

- 1. Finding of Fact:** The above and foregoing recitals are hereby found to be true and correct and are incorporated as finding of fact.

2. **Denial of Proposed Gas Rates:** That the rates proposed by TGS to be recovered through its gas rates charged to customers located within the City limits are hereby found to be unreasonable and shall be denied.
3. **Continuation of Existing Rates:** That the Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.
4. **Reimbursement:** That the City's reasonable rate case expenses shall be reimbursed by the Company.
5. **Effective Date:** The resolution shall be effective from and after its approval and passage.
6. **Meeting:** The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.
7. **Notice:** A copy of this Resolution shall be sent to TGS representatives Judy Hitchye and Anthony Brown, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Judy.Hitchye@onegas.com; Anthony.Brown@onegas.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this, the ____ day of _____ 2024, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Dripping Springs, Texas:

CITY OF DRIPPING SPRINGS:

Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary