

## CITY OF DRIPPING SPRINGS

### RESOLUTION No. 2024-R

A RESOLUTION OF THE CITY OF DRIPPING SPRINGS, TEXAS SUSPENDING THE JULY 8, 2024 EFFECTIVE DATE OF TEXAS GAS SERVICE COMPANY'S REQUESTED INCREASE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES IN THE TEXAS GAS SERVICE COMPANY'S CENTRAL-GULF SERVICE AREA; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; AUTHORIZING INTERVENTION IN GUD NO. 17471 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 June 3, 2024, Texas Gas Service Company, a Division of ONE Gas, Inc. ("TGS" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102, filed with the City of Dripping Springs ("City") a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the incorporated areas of the Central-Gulf Service Area, effective July 8, 2024; and

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

**WHEREAS**, it is reasonable for the City of Dripping Springs 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**, TGS has filed an application with the Railroad Commission, Gas Utilities Docket (GUD) No. 17471, that could become the docket into which appeals of city action on the TGS 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;

**WHEREAS**, pursuant to Texas Administrative code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or

order of the City and is necessary or proper for carrying out a power granted by law to the City.

**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. Suspension of Rate Request Effective Date:** That the July 8, 2024, effective date of the rate request submitted by TGS on or about June 3, 2024, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.
- 3. Rate Case Authorization:** That the City is authorized to cooperate with other cities in the TGS 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.
- 4. Hiring of Law Firm:** That, subject to the right to terminate employment at any time, the City of Dripping Springs hereby authorizes the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. and consultants to represent the City in all matters associated with the TGS application to increase rates and appeals thereof.
- 5. Intervention:** That intervention in Railroad Commission GUD No. 17471 is authorized.
- 6. Reimbursement:** That the City's reasonable rate case expenses shall be reimbursed by the Company.
- 7. Effective Date:** The resolution shall be effective from and after its approval and passage.
- 8. 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.

**9. 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 \_\_\_\_\_ 202\_\_\_\_, 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:**

\_\_\_\_\_  
\_\_\_\_\_, City Secretary