

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, SUSPENDING THE SEPTEMBER 1, 2023, EFFECTIVE DATE OF COSERV GAS, LTD.'S REQUESTED RATE CHANGE TO PERMIT THE TOWN TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER MUNICIPALITIES 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 MUNICIPALITIES 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; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on or about July 28, 2023, CoServ Gas, Ltd ("CoServ" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102 filed with the Town of Prosper ("Town") 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 Town 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 Town; and

WHEREAS, in order to maximize the efficient use of resources and expertise, it is reasonable for the Town to cooperate with other municipalities 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 Town 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 Town will need an adequate amount of time to review and evaluate CoServ's rate application to enable the Town 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 municipalities in ratemaking activities are to be reimbursed by the regulated utility.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

All of the above premises are found to be true and correct legislative determinations of the Town of Prosper, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2

The September 1, 2023, effective date of the rate request submitted by CoServ on July 28, 2023, shall 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

The Town is authorized to cooperate with other municipalities 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 Town 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 Town or Texas Railroad Commission.

SECTION 4

The Town's reasonable rate case expenses shall be reimbursed by CoServ.

SECTION 5

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

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 L. Brocato, General Counsel to OCSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, TX 78701.

SECTION 7

This Resolution shall be effective from and after its passage by the Town Council.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS 22ND DAY OF AUGUST, 2023.

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney