

RESOLUTION NO. 2025-07-16-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLINGWOOD, TEXAS SUSPENDING THE AUGUST 19, 2025 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 SERVICE AREA; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; AUTHORIZING INTERVENTION IN TEXAS GAS SERVICE'S STATEMENT OF INTENT TO CHANGE GAS UTILITY RATES 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 30, 2025, 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 Rollingwood ("City") a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the incorporated areas of the Central-Gulf, West North, and Rio Grande Valley Service Areas effective August 19, 2025; 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 Rollingwood 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, 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.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROLLINGWOOD:

Section 1. That the August 19, 2025, effective date of the rate request submitted by

TGS on or about June 30, 2025, 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 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.

Section 3. That, subject to the right to terminate employment at any time, the City of Rollingwood 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.

Section 4. That intervention at the Railroad Commission in the docket that the application is filed under is authorized.

Section 5. That the City's reasonable rate case expenses shall be reimbursed by the Company.

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 TGS representatives Judy Hitchye, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Judy.Hitchye@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 on this 16th day of July 2025.

Gavin Massingill, Mayor

ATTEST:

Makayla Rodriguez, City Secretary