

## **ORDINANCE NO. 2021-31**

### **ORDINANCE OF THE CITY OF WYLIE FINDING THAT THE SETTLEMENT AGREEMENT BETWEEN THE CITY AND COSERV GAS, LTD. IS REASONABLE; ORDERING COSERV GAS, LTD. TO IMPLEMENT THE RATES AGREED TO IN THE SETTLEMENT AGREEMENT; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL**

WHEREAS, on or about November 13, 2020, CoServ Gas, Ltd. ("CoServ" or "Company"), pursuant to Gas Utility Regulatory Act ("GURA") § 104.102 filed a Statement of Intent to Increase Rates with the Railroad Commission of Texas (the "Commission") within the unincorporated areas it serves in the State of Texas and filed with the City of Wylie a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the Company's service area, effective January 23, 2021; and

WHEREAS, the Company agreed to extend the proposed effective date to March 14, 2021; and

WHEREAS, the City of Wylie has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality, pursuant to GURA § 103.001; and

WHEREAS, GURA § 103.021 grants a municipality authority to require a utility to submit information as necessary to make a reasonable determination of rate base, expenses, investment, and rate of return in the municipality; and

WHEREAS, the City of Wylie suspended the effective date of the proposed rate change for ninety (90) days pursuant to GURA § 104.107; and

WHEREAS, the City of Wylie joined with other similarly situated cities, the Steering Committee of Cities Served by CoServ Gas, Ltd. ("CoServ Gas Cities"), to conduct a review of the Company's application by hiring and directing legal counsel and consultants to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, on or about May 14, 2021, the CoServ Gas Cities reached a Settlement Agreement resolving all issues relating to the Company's Statement of Intent to Increase Rates; and

WHEREAS, the CoServ Gas Cities members and attorneys recommend that the City of Wylie approve this settlement agreement setting rates; and

WHEREAS, GURA § 103.022 provides that reasonable costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

**THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WYLIE, TEXAS:**

Section 1. That the City approves the Settlement Agreement reached between the CoServ Gas Cities and the Company and directs the Company to implement the rates indicated in the Settlement Agreement.

Section 2. That the City's reasonable rate case expenses shall be reimbursed by the Company.

Section 3. That it is hereby officially found and determined that the meeting at which this Ordinance 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 4. A copy of this Ordinance shall be sent to CoServ, care of Charles Harrell, CoServ Gas, Ltd. 7701 South Stemmons Freeway, Corinth, Texas 76210 (CHarrell@coserv.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

**DULY PASSED AND APPROVED** by the City Council of the City of Wylie, Texas, this 8th day of June 2021.

---

Matthew Porter, Mayor

ATTEST:

---

Stephanie Storm, City Secretary