

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF KYLE 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 Kyle, Texas ("City") is a gas utility customer of Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or "Company"), and is 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 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 Texas Service Area and Gulf Coast Service Area ("CTSA Cities" and "GCSA Cities"); and

WHEREAS, on or about December 20, 2019, the Company filed a Statement of Intent with the City to increase rates in all municipalities exercising original jurisdiction within the City of Beaumont, the Central Texas Service Area, and the Gulf Coast Service Area by \$15,670,445, and to consolidate these Service Areas into the proposed Central-Gulf Coast Service Area; and

WHEREAS, TGS proposed February 6, 2020 as the effective date for its requested increase in rates; and

WHEREAS, the City passed resolution No. _____ to suspend the effective date of TGS's requested rate increase for the maximum period allowed by law, until May 6, 2020; and

WHEREAS, the CTSA Cities and GCSA Cities hired and directed legal counsel and consultants to prepare a common response to the Company's requested system-wide rate increase and proposed consolidation of service areas, which resulted in a conclusion that TGS's rates are not reasonable, the proposed consolidation of services areas is not reasonable, and a recommendation that the rate request and consolidation be denied; and

WHEREAS, the GURA § 103.022 provides that costs incurred by CTSA Cities and GCSA Cities in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

1. 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.

2. That the Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.

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

4. 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.

5. A copy of this Resolution shall be sent to TGS, care of Stephanie G. Houle, Texas Gas Service Company, Barton Skyway IV, 1301 S. Mopac, Suite 400, Austin, Texas 78746 (Stephanie.Houle@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 _____ day of _____, 2020.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

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