

RESOLUTION NO. 1205202302

A RESOLUTION OF THE TOWN OF LITTLE ELM, TEXAS FINDING THAT COSERV GAS, LTD.'S STATEMENT OF INTENT TO INCREASE RATES WITHIN THE TOWN SHOULD BE DENIED; FINDING THAT THE TOWN'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; 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 TOWN'S LEGAL COUNSEL.

WHEREAS, the Town of Little Elm, Texas ("Town") is a gas utility customer of CoServ Gas, Ltd. ("CoServ" or "Company") and is a regulatory authority under the Gas Utility Regulatory Act ("GURA") with exclusive original jurisdiction over CoServ's rates, operations, and services within the Town; and

WHEREAS, the Town 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 the rates charged in CoServ's service area ("CoServ Gas Cities" or "Steering Committee of Cities Served by CoServ Gas, Ltd."); and

WHEREAS, on or about July 28, 2023, CoServ filed with the Town a Statement of Intent to Increase Rates seeking to increase natural gas rates by \$10.3 million annually in incorporated areas; and

WHEREAS, the Town passed Resolution No. 1205202302 to suspend the effective date of CoServ's requested rate increase for 90 days, the maximum period allowed by law; and

WHEREAS, CoServ Gas Cities hired and directed legal counsel and consultants to prepare a collective response to the Company's requested increase, which resulted in a conclusion that CoServ's proposed rates are not reasonable; and

WHEREAS, CoServ Gas Cities' attorneys recommend that members deny the requested increase; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. That the rates proposed by CoServ to be recovered through its gas rates charged to customers located within the Town limits, are hereby found to be unreasonable and shall be denied.

Section 2. That the Company shall continue to charge its existing rates to customers within the Town.

Section 3. That the Town's reasonable rate case expenses shall be reimbursed in full by CoServ.

Section 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.

Section 5. That a copy of this Resolution 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, counsel for CoServ Gas Cities, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 5th day of December, 2023.

Curtis J. Cornelious, Mayor

ATTEST:

Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

Robert Brown, Town Attorney