

ORDINANCE NO. 24-029

ORDINANCE OF THE CITY OF BEAUMONT, TEXAS AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE FOR AN ADDITIONAL NINETY (90) DAYS BEYOND THE EFFECTIVE DATE PROPOSED BY TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC. IN CONNECTION WITH ITS STATEMENT OF INTENT TO INCREASE RATES WITHIN THE INCORPORATED AREAS OF THE CENTRAL-GULF SERVICE AREA, FILED ON JUNE 3, 2024; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE RAILROAD COMMISSION OF TEXAS; REQUIRING REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, on or about June 3, 2024, Texas Gas Service Company, a Division of ONE Gas, Inc. ("TGS" or "Company") filed a Statement of Intent with the City of Beaumont ("City") to increase gas rates within the unincorporated areas of its Central-Gulf Service Area by \$25.8 million per year, with a proposed effective date of July 8, 2024; and,

WHEREAS, City has exclusive original jurisdiction over the rates, operations and services of a gas utility in areas in the municipality pursuant to Texas Utilities Code § 103.001; and,

WHEREAS, Texas Utilities Code § 103.021 requires a local regulatory authority to make a reasonable determination of rate base, expenses, investment and rate of return and retain the necessary personnel to determine reasonable rates; and,

WHEREAS, the City's reasonable cost for regulatory expenses in ratemaking proceedings shall be reimbursed by the gas utility under Texas Utilities Code § 103.022; and,

WHEREAS, Texas Utilities Code § 104.107(a)(1) authorizes a local regulatory authority to suspend a utility's proposed rate change for not longer than 90 days after the date the rate change would otherwise be effective; and

WHEREAS, given the complexity of the proposed rate increase and the need to fully review the proposed rate adjustment it is necessary to suspend the effective date for implementing the proposed rates until July 8, 2024, to allow the City's rate experts sufficient time to determine the merits of TGS's proposed rates; and,

WHEREAS, to maximize the efficient use of resources and expertise in reviewing, analyzing, and investigating TGS's \$25.8 million rate increase request, City's efforts will be coordinated with similarly situated municipalities in TGS's Central-Gulf Service Area; and,

WHEREAS, the City will join with other municipalities in a steering committee in order to coordinate the hiring and direction of counsel and consultants working on behalf of the steering committee and the City.

NOW THEREFORE, BE IT ORDAINED BY THE
CITY COUNCIL OF THE CITY OF BEAUMONT, TEXAS, THAT:

Section 1.

That the statement and findings set out in the preamble to this ordinance are hereby in all things approved and adopted.

Section 2.

The effective date of TGS's proposed rate increase, and the proposed tariffs related thereto, is hereby suspended for an additional ninety (90) days until October 6, 2024, in order to complete the review and investigation by City's experts.

Section 3.

The City is authorized to join with other municipalities as part of the TGS Central-Gulf Service Area Steering Committee with the understanding that the steering committee will provide direction and guidance to the lawyers who are representing said cities.

Section 4.

The City employs The Lawton Law Firm, P.C. to represent the City with regard to TGS's proposed rate increase before local and state regulatory authorities and any court of law and authorizes counsel to employ such rate experts as are recommended by the Steering Committee.

Section 5.

The Steering Committee shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to TGS for reimbursement.

Section 6.

City's legal representatives shall have the right to obtain additional information from TGS through the service of requests for information, which shall be responded to within seven (7) calendar days of receipt of such requests for information.

Section 7.

TGS shall reimburse the City, through the designated representative of the Steering Committee, for the reasonable costs of attorneys and consultant fees and expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

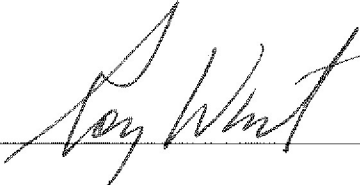
Section 8.

The meeting at which this ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9.

This ordinance shall become effective from and after its passage.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 18th day of June, 2024.



- Mayor Roy West -

ATTEST:



City Clerk, Tina Broussard

