

RESOLUTION NO. 2024-_____

A RESOLUTION BY THE CITY OF LEAGUE CITY, TEXAS, (“CITY”) RESPONDING TO THE APPLICATION OF UNIVERSAL NATURAL GAS, LLC d/b/a UNIVERSAL NATURAL GAS, INC., TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING REPRESENTATION BY SPECIAL COUNSEL; REQUIRING THE REIMBURSEMENT OF COSTS; DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS: on or about March 1, 2024, Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (“UniGas”) filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”), resulting in a requested increase in the monthly customer charge as shown in the table below:

| Rate Schedule | Current Customer Charge | Proposed 2024 Interim Rate Adjustment | Adjusted Charge | Increase Per Bill |
|-------------------------|---------------------------------|--|-----------------------------------|--------------------------|
| Residential (RES) | \$21.95 per customer per month | \$11.06 per customer per month | \$33.01 per customer per month | \$11.06 |
| Small Commercial (COMM) | \$27.93 per customer per month | \$55.20 per customer per month | \$83.13 per customer per month | \$55.20 |
| Large Commercial (COMM) | \$470.37 per customer per month | \$832.10 per customer per month | \$1,302.47 per customer per month | \$832.10 |

and

WHEREAS: the City has a special responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS: the application to increase rates by UniGas is complex; and

WHEREAS: it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in UniGas’ rate application

are correctly done, and whether UniGas' application otherwise conforms to the requirements of Texas Utilities Code § 104.301, commonly referred to as the GRIP statute; and

WHEREAS: the effective date proposed by UniGas is May 11, 2024, but a suspension by the City will mean that the rate increase cannot go into effect prior to June 25, 2024.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS THAT:

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by UniGas for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application, and to determine whether UniGas' application otherwise conforms to the requirements of the GRIP statute.

Section 3. The City authorizes the law firm of Herrera Law & Associates, PLLC, to represent the City in connection with UniGas' application to increase rates.

Section 4. UniGas is ordered to reimburse the City's reasonable rate case expenses incurred in response to UniGas' rate increase application within 30 days of receipt of invoices for such expenses to the extent allowed by law.

Section 5. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this _____ day of _____ 2024.

NICK LONG
Mayor

ATTEST:

DIANA STAPP
City Secretary

APPROVED AS TO FORM:

MICHELLE L. VILLARREAL
City Attorney