

RESOLUTION NO. 18-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS SUSPENDING THE FEBRUARY 9, 2018 EFFECTIVE DATE OF SIENERGY, LP'S STATEMENT OF INTENT TO INCREASE GAS UTILITY RATES WITHIN THE INCORPORATED AREAS OF CENTRAL AND SOUTH TEXAS THAT INCLUDES THE CITY OF SUGAR LAND TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; FINDING THAT SIENERGY, LP MUST REIMBURSE THE CITY'S REASONABLE RATE CASE EXPENSES; AND SETTING FORTH OTHER PROVISIONS RELATED THERETO.

WHEREAS, on or about January 5, 2018, SiEnergy, LP (SiEnergy) filed with the City of Sugar Land (City) and the other affected Central and South Texas municipalities a Statement of Intent seeking to increase gas utility rates within the incorporated areas of the Central and South Texas, including the City, to be effective February 9, 2018 (Statement of Intent); and

WHEREAS, the City is a regulatory authority with an interest in the rates and charges of SiEnergy; and

WHEREAS, the City is a member of the Gulf Coast Coalition of Cities (GCCC), a coalition of similarly-situated cities that have joined together to efficiently and cost effectively review and respond to electric and gas utility issues, including rates charged by electric and gas utilities; and

WHEREAS, the Gas Utility Regulatory Act §104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

WHEREAS, the City retains its rights as a city with original jurisdiction, including the right to suspend SiEnergy, LP's Statement of Intent; and

WHEREAS, the City's consultants and attorneys recommend that the City suspend the Statement of Intent for further review; and

WHEREAS, SiEnergy has filed an application with the Texas Railroad Commission, docketed as GUD No. 10679, that could become the docket into which appeals of city action on the SiEnergy filing are consolidated; and

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

SECTION 1. That the findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. That the City is authorized to protect the interests of the City and to protect the interests of SiEnergy customers residing and conducting business within the city limits of the City.

SECTION 3. That the February 9, 2018 effective date of the Statement of Intent to increase rates submitted by SiEnergy on or about January 5, 2018, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 4. That, as a member of the GCCC, the City authorizes, subject to the right to terminate employment at any time, the hiring of Thomas L. Brocato of the law firm of Lloyd Gosselink Rochelle and Townsend, P.C., and Karl J. Nalepa of the consulting firm of ReSolved Energy Consulting, L.L.C. to review SiEnergy's filing, negotiate with SiEnergy, make recommendations regarding reasonable rates, and direct any necessary administrative proceedings or court litigation associated with an appeal of City action.

SECTION 5. That the City shall work with the GCCC in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable, and authorizes intervention as a necessary party in the Railroad Commission of Texas' consideration of the SiEnergy rate filing as it affects the customers in the unincorporated areas of Central and South Texas.

SECTION 6. That the City's reasonable rate case expenses shall be reimbursed in full by SiEnergy.

SECTION 7. That a copy of this Resolution shall be sent to June M. Dively, SiEnergy, LP at 3 Lakeway Centre CT, Suite 110, Lakeway, Texas 78734 and to Thomas L. Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

SECTION 8. That this Resolution is effective from and after its adoption.

APPROVED on February 6, 2018.

Joe R. Zimmerman, Mayor

ATTEST:

Thomas Harris, Assistant City Secretary

APPROVED AS TO FORM:

Eugenia A. Cano