

Date: November 27, 2023
To: Plano City Council
From: Andrew Fortune, Director of Policy & Government Relations
Subject: Resolution to Deny CoServ Gas, Ltd. Requested Rate Change

Summary On July 28, 2023, CoServ Gas, Ltd. (“CoServ” or “Company”), pursuant to Subchapter C of Chapter 104 of the Gas Utility Regulatory Act, filed its Statement of Intent to change gas rates at the Railroad Commission of Texas (“RRC”) and in all municipalities exercising original jurisdiction within its service area.

The Steering Committee of Cities Served by CoServ Gas, Ltd. (“CoServ Gas Cities”) engaged the services of consultants to review the Company’s filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company’s request. Settlement discussions are ongoing, but no agreement has been met. Accordingly, CoServ Gas Cities’ attorneys recommend that all member cities adopt the Resolution denying the rate change. Once the Resolution is adopted, CoServ will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with CoServ’s filing.

The purpose of the Resolution is to deny the rate increase proposed by CoServ. All cities with jurisdiction will need to adopt the denial Resolution no later than December 7th.

Background In the City of Plano, an estimated 6% is serviced by CoServ Gas, and the remaining 94% is serviced by Atmos Energy. CoServ Gas territories in Plano are located along Highway 121 in North Plano and in far West Plano.

Explanation of “Be it Resolved” Sections

Section I. This paragraph finds that the Company’s application is unreasonable and should be denied.

Section II. This section states that the Company’s current rates shall not be changed.

Section III. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants, approved by the Cities, will submit monthly invoices that will be forwarded to CoServ for reimbursement.

Section IV. This section merely recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

Section V. This section provides CoServ and counsel for CoServ Gas Cities will be notified of the City’s action by sending a copy of the approved and signed resolution to counsel.

Section VI. This section states that this Resolution shall become effective immediately upon its passage.