

**ORDINANCE NO. O-2019-025**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
MAGNOLIA, TEXAS, SETTING THE JUST AND REASONABLE RATES  
FOR THE COST OF SERVICE ADJUSTMENT CLAUSE TO BE  
CHARGED BY EPCOR GAS TEXAS, INC. FOR GAS SERVICE FOR  
CUSTOMERS IN THE CITY OF MAGNOLIA, TEXAS; REQUIRING  
REIMBURSEMENT OF RATE CASE EXPENSES FROM THE  
COMPANY; FINDING THAT THE MEETING COMPLIES WITH THE  
OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE FOR  
THIS ORDINANCE.**

\* \* \* \* \*

**WHEREAS**, on or about August 26, 2019, EPCOR Gas Texas, Inc. (“EGTX” or “Company”) filed a Cost of Service Adjustment (“COSA”) with the City Secretary in Magnolia, Texas, requesting an annual rate increase of \$20,597 for the Magnolia Service Area;

**WHEREAS**, the City of Magnolia (“City”) has exclusive, original jurisdiction over the rates and services of a gas utility within its municipal borders pursuant to the Gas Utility Regulatory Act, Tex. Util. Code § 102.002;

**WHEREAS**, the Company provided schedules with its request that calculated the maximum allowable rates under the terms of the COSA tariff to be a customer charge of \$21.39 per month and a volumetric charge of \$9.4276 per Mcf (“COSA Permitted Rates”);

**WHEREAS**, EGTX requested an effective date for the new COSA adjustment to go into effect on December 1, 2019;

**WHEREAS**, the City retained the Lawton Law Firm, P.C. to review the Company’s rate request and make necessary rate recommendations to the City;

**WHEREAS**, the Lawton Law Firm has recommended that the City approve the COSA Permitted Rates; and

**WHEREAS**, it is reasonable for the Company to reimburse the City's rate case expenses pursuant to Gas Utility Regulatory Act, Texas Utilities Code § 103.022(a) and the COSA tariff.

**THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, HEREBY ORDAINS:**

**Section 1.** The statements set out in the preamble to this ordinance are adopted herein as if set forth herein.

**Section 2.** Based on the recommendations and review presented by the Lawton Law Firm, the COSA Permitted Rates are consistent with the requirements and formulae of the COSA tariff and are therefore approved.

**Section 3.** The Company shall file tariffs with the City Secretary reflecting an approved monthly customer charge of \$21.39 and an approved volumetric charge of \$9.4276 per Mcf, resulting in a total \$20,597 annual COSA rate increase for the Magnolia Service Area.

**Section 4.** The Company shall reimburse the reasonable expenses incurred by the City in the review and processing of the annual COSA and any further proceedings necessary to implement the approved COSA adjustment, as provided by Gas Utility Regulatory Act, Texas Utilities Code § 103.022(a) and the COSA tariff currently in effect.

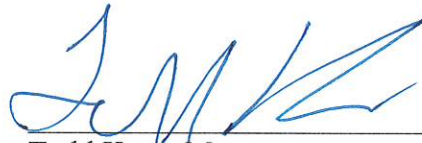
**Section 5.** The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 6.** This ordinance shall be effective immediately on passage.

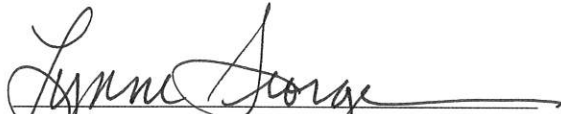
PASSED AND APPROVED 12<sup>th</sup> day of November, 2019.



City of Magnolia, Texas

  
\_\_\_\_\_  
Todd Kana, Mayor

ATTEST:

  
\_\_\_\_\_  
Lynne George, TRMC, CPM, City Secretary