

ORDINANCE NO. O-2022-004

ORDINANCE OF THE CITY OF MAGNOLIA, TEXAS,
AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE
FOR AN ADDITIONAL NINETY (90) DAYS BEYOND THE
EFFECTIVE DATE PROPOSED BY UNIVERSAL NATURAL GAS,
LLC IN CONNECTION WITH ITS STATEMENT OF INTENT TO
INCREASE RATES FILED ON DECEMBER 27, 2021;
AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS;
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 December 27, 2021, Universal Natural Gas, LLC
("Unigas" or the "Company") filed a Statement of Intent with the City of Magnolia
("City") to increase gas rates for customers located within the incorporated areas
of the City; and

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

WHEREAS, Gas Utility Regulatory Act § 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 Gas Utility
Regulatory Act § 103.022; and

WHEREAS, given the need to fully review the proposed rate adjustment
and the possibility that additional information from the Company may be required
to assist in the City's review, it is necessary to suspend the effective date for
implementing the proposed rates until May 1, 2022 in order to allow the City's rate
experts sufficient time to determine the merits of the Company's proposal.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF MAGNOLIA, 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 Unigas's proposed rate increase, and the proposed tariffs related thereto, is hereby suspended for an additional ninety (90) days until May 1, 2022, in order to complete the review and investigation by the City's experts.

Section 3. The City employs The Lawton Law Firm, P.C. to represent the City regarding the proposed rate increase of Unigas before local and state regulatory authorities and any court of law and authorizes counsel to employ such rate experts as are necessary to review and litigate the case.

Section 4. The City shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to Unigas for reimbursement.

Section 5. City's legal representatives shall have the right to obtain additional information from Unigas 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 6. Unigas shall reimburse the City for the reasonable costs of attorney and consultant fees and expenses related thereto, upon the presentation of invoices reviewed by the City.

Section 7. 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 8. This ordinance shall become effective from and after its passage.

PASSED, APPROVED and ADOPTED this 11th day of January, 2022.



CITY OF MAGNOLIA, TEXAS



Todd Kana, Mayor

ATTEST:



Kandice Garrett, City Secretary