

ORDINANCE NO. _____

AN ORDINANCE DENYING A RATE INCREASE PROPOSED BY SIENERGY GAS, LLC; APPROVING CONTINUED MEMBERSHIP IN A COALITION; AUTHORIZING ENGAGEMENT WITH COALITION COUNSEL AND CONSULTANTS, INCLUDING SETTLEMENT AUTHORITY; REQUIRING REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AND PROVIDING NOTICE OF THIS ORDINANCE TO SIENERGY GAS, LLC.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Council makes the following findings:

(A) On May 4, 2026, SiEnergy Gas, LLC, (SiEnergy) filed with the City of Austin a Statement of Intent to change gas rates within the incorporated areas served by SiEnergy and a notice of its intent to consolidate its operations and assets with other members of SiEnergy Holding LLC, effective June 8, 2026.

(B) The City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 103, §103.001 et seq. of GURA has exclusive original jurisdiction over SiEnergy’s rates, operations, and services within the municipality.

(C) On May 28, 2026, in Ordinance No. 20260528-011, the City suspended the effective date of the proposed increase as authorized under Section 104.107 of GURA to evaluate the effect and to determine whether the rates are appropriate, fair, just, and reasonable to all classes of ratepayers.

(D) The City, in coalition with the other affected Texas municipalities, hired legal counsel and rate consultants and directed them to review SiEnergy’s requested system-wide rate increase which resulted in a conclusion that SiEnergy’s rates are not reasonable and a recommendation that the rate request be denied.

PART 2. In accordance with its authority under Chapter 103 of GURA, the City finds that the rates proposed by SiEnergy in its Statement of Intent to be recovered from customers located within the City limits are unfair, unjust, and unreasonable, and therefore, the proposed rates are hereby denied.

PART 3. Council directs the city manager to: work in coalition with the other affected Texas municipalities; including ongoing engagement with rate counsel, namely Lloyd

Gosselink Rochelle & Townsend, P.C., and experts and consultants to advise and assist the City and the municipal coalition in exercising regulatory authority over the rates of SiEnergy. Further, Council authorizes counsel, namely Lloyed Gosselink Rochelle & Townsend, P.C., with the participation and approval of the city manager, to negotiate and settle the proceedings, upon any appeal by SiEnergy, at the Railroad Commission of Texas related to this rate increase request.

PART 4. SiEnergy is directed to reimburse all related reasonable municipal rate case expenses incurred by the City in relation to SiEnergy's filing.

PART 5. Notice of this ordinance shall be provided to SiEnergy representatives June M. Dively and Daniel Cross, SiEnergy Gas, LLC, 13215 Bee Cave Pkwy, Suite B-250, Bee Cave, Texas 78738 (junedively@sienergy.com and dancroll@sienergy.com), and to Jamie L. Mauldin at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (jmauldin@lglawfirm.com).

PART 6. This ordinance takes effect on _____, 2026.

PASSED AND APPROVED

_____, 2026 §
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_____, 2026 §

Kirk Watson
Mayor

APPROVED: _____ **ATTEST:** _____
Deborah Thomas Erika Brady
City Attorney City Clerk