Lloyd Gosselink
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January 7, 2020

VIA EMAIL
Donald Glywasky, City Attorney
City of Galveston
PO Box 779
Galveston, TX 77553

Re: TGS-CTSA/GCSA 2019 Rate Case; GUD 10928
Billing File Number: 4161-0

Dear Mr. Glywasky:

We want to express our appreciation for the opportunity you have given our firm to work with you. The purpose of this letter is to set forth our understanding of the legal services to be performed by us for this engagement and the basis upon which we will be paid for those services. This letter confirms that Lloyd Gosselink Rochelle & Townsend, P.C. ("Lloyd Gosselink") will represent the Central Texas Service Area ("CTSA") and the Gulf Coast Service Area ("GCSA") with respect to the matter regarding the Texas Gas Service Company CTSA/GCSA 2019 Rate Case (GUD 10928) (the "Matter"). Our acceptance of this representation (the "Representation") becomes effective upon our receipt of an executed copy of this agreement.

Terms of Engagement

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*, dated October 2, 2018. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement.*

It is understood and agreed that our engagement is limited to the Representation, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

Personnel Who Will Be Working on the Matter

I will be the attorney in charge of the Representation, and I will be working on the Matter. You may call, write, or e-mail me whenever you have any questions about the Representation. Other firm personnel, including firm lawyers and paralegals, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Legal Fees and Other Charges

Our fees in the Matter will be based on the time spent by firm personnel, primarily firm lawyers or paralegals, who participate in the Representation. We will charge for all time spent by such personnel in the Representation in increments of tenths of an hour. We charge for time spent in activities including but not limited to the following: telephone and office conferences with clients, representatives of clients, opposing counsel, and others; conferences among our attorneys and paralegals; factual investigation, if needed; legal research; file management; responding to requests from you that we provide information to you or your auditors; drafting letters and other documents; and travel, if needed.

Legal fees and costs are difficult to estimate. Accordingly, we have made no commitment concerning the fees and charges that will be necessary to resolve or complete the Representation, although we will make every effort to manage fees and costs by working efficiently and cost-effectively.

My time is billed at the rate of $375 per hour. Other lawyers, paralegals and other personnel may be assigned as necessary to achieve proper staffing. We utilize briefing clerks, paralegals, file clerks and other support personnel to perform those tasks not requiring the time of any attorney. Their time is billed at an amount determined by the experience of the individual. The foregoing rates may be adjusted annually and, if so, will be noted on your bill. We will submit all out-of-pocket expenses incurred for reimbursement. Usually we ask the client to pay directly all filing fees, charges for consultants, etc. due to the size of such fees. We endeavor to have a statement of services rendered and expenses incurred by the 15th of the following month. Full payment is due on receipt of the statement.

Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you in the Matter. Based on the information available to us, we are not aware of any potential disqualification. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas.

Cloud-Based Software

We use cloud-based electronic data storage and/or document preparation systems to store Client confidential information and/or prepare legal documents pertaining to this Matter. In accordance with the Texas Disciplinary Rules of Professional Conduct and the Supreme Court of Texas, Professional Ethics Committee Opinion No. 680, in using such cloud-based software, we undertake reasonable precautions and remain alert to avoid the possibility of data breaches, unauthorized access, and/or disclosure of Client confidential information.

Document Retention

We may choose to keep records pertaining to this Matter in partially or exclusively electronic format, and we will bear ordinary costs relating to the treatment and storage of such records as part of the cost of providing legal services to you. Upon completion of our work on this Matter, your file, in the form in which it was maintained, will be made available for transfer to you at our office. As a general rule, we keep client files for five years. If your file has not

Although our firm will be providing legal services, each client of the firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

Communication and Confidentiality

In keeping with technological advancements and the corresponding demands of clients, it is the practice of the firm to use electronic (email) correspondence from time to time to communicate and to transmit documents. As such, the possibility exists that electronic transmissions could be intercepted or otherwise received by third parties and lose their privileged nature if the method of communication is ruled to lack sufficient confidentiality. As with any correspondence regarding legal representation, regardless of the manner of transmission, we urge you to use caution in its dissemination in order to protect its confidentiality. By signing below, you agree that we may use email in the scope of the Representation.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as the client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which our firm appears as counsel of record for you in publicly available records, we reserve the right to inform others of the fact of our representation of you in the Matter and (if likewise reflected or record in publicly available records) the results obtained unless you specifically direct otherwise.

Periodically, the firm is asked to provide a Representative Client List to prospective clients and in various legal directories (e.g., Martindale-Hubbell and the Texas Legal Directory). Unless you advise us to the contrary, we may disclose to third parties the fact that our firm represents you. Lloyd Gosselink is not requesting authorization to disclose any privileged information obtained during its representation.

Disclaimer

Lloyd Gosselink Rochelle & Townsend, P.C. has made no promises or guarantees to you about the outcome of the Representation of the Matter, and nothing in our engagement letter or these terms of engagement shall be construed as such a promise or guarantee.

Termination

At any time, you may, with or without cause, terminate the Representation by notifying us in writing of your intention to do so. Any such termination of services will not affect the obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

A failure by you to meet any obligations under these terms of engagement shall entitle Lloyd Gosselink Rochelle & Townsend, P.C. to terminate the Representation. In that event, you will take all steps necessary to release Lloyd Gosselink Rochelle & Townsend, P.C. of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter. The right of Lloyd Gosselink Rochelle & Townsend, P.C. to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct.

Our engagement letter specifically explains our fees for services in the Matter. We will bill on a regular basis, normally each month, for fees and expenses and charges. It is agreed that you will make full payment within thirty (30) days of receiving our statement. We may give notice if an account becomes delinquent, and it is further agreed that any delinquent account must be paid upon the giving of such notice. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the Representation. However, any termination by either party may be subject to, or controlled by, orders of a court.

Document Retention

We may choose to keep records pertaining to this Matter in partially or exclusively electronic format, and we will bear ordinary costs relating to the treatment and storage of such records as part of the cost of providing legal services to you. Upon completion of our work on this Matter, your file, in the form in which it was maintained, will be made available for transfer to you at our office. As a general rule, we keep client files for five years. If your file has not previously been returned to you before the end of the retention period, our document retention policy directs us to offer the file to you at that time. Original documents (e.g., permits, licenses, deeds, wills and the like), or material that has unique or significant value in the form we originally acquired it, will be returned to you in that original form. We may, however, require you to pay any delivery or shipping expenses associated with delivering your client file and other client property to you at a location other than our office. If you do not indicate a desire to have the file returned to you, the file (both electronic and written) will be destroyed.

Charges for Expenses and Services

Our invoices will include amounts for legal services rendered and for other expenses and services. Examples of other expenses and services include charges for photocopying, facsimile transmissions, long-distance telephone calls, travel and conference expenses, messenger deliveries, computerized research, and other electronic transmissions. In addition, we reserve the right to send to you for direct payment any invoices delivered to us by others, including experts and any vendors.

Rates for our legal services, expenses and charges are subject to change from time to time and will be noted on your bill. In some situations, we can arrange for such services and expenses to be provided by third parties billed through our billings or by direct billing to the client.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients to the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available in our office in Austin and is likewise available upon request. A client that has any questions about the State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED

A Mandate for Professionalism

Promulgated by The Supreme Court of Texas and the Court of Criminal Appeals November 7, 1989

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM

A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism.

1. I am passionately proud of my profession. Therefore, "My word is my bond."
2. I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life.
3. I commit myself to an adequate and effective pro bono program.
4. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed.
5. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT

A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest.

1. I will advise my client of the contents of this Creed when undertaking representation.
2. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible.
3. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice.
4. I will advise my client that civility and courtesy are expected and are not a sign of weakness.
5. I will advise my client of proper and expected behavior.
6. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct.
7. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party.
8. I will advise my client that we will not pursue tactics which are intended primarily for delay.
9. I will advise my client that we will not pursue any course of action which is without merit.
10. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel.
11. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER

A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct.

1. I will be courteous, civil, and prompt in oral and written communications.
2. I will not quarrel over matters of form or style, but I will concentrate on matters of substance.
3. I will identify for other counsel or parties all changes I have made in documents submitted for review.
4. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties.
5. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when hearings, depositions, meetings, conferences or closings are cancelled.
6. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected.
7. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond.
8. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses.
9. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me.
10. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel.
11. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed.
12. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court.
13. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence.
14. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement.
15. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party.

16. I will refrain from excessive and abusive discovery.

17. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear.

18. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable.

19. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE

Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession.

1. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol.

2. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law.

3. I will treat counsel, opposing parties, witnesses, the Court, and members of the Court staff with courtesy and civility and will not manifest by words or conduct bias or prejudice based on race, color, national origin, religion, disability, age, sex, or sexual orientation.

4. I will be punctual.

5. I will not engage in any conduct which offends the dignity and decorum of proceedings.

6. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage.

7. I will respect the rulings of the Court.

8. I will give the issues in controversy deliberate, impartial and studied analysis and consideration.

9. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

Order of the Supreme Court of Texas and the Court of Criminal Appeals

The conduct of a lawyer should be characterized at all times by honesty, candor, and fairness. In fulfilling his or her primary duty to a client, a lawyer must be ever mindful of the profession's broader duty to the legal system.

The Supreme Court of Texas and the Court of Criminal Appeals are committed to eliminating a practice in our State by a minority of lawyers of abusive tactics which have surfaced in many parts of our country. We believe such tactics are a disservice to our citizens, harmful to clients, and demeaning to our profession.

The abusive tactics range from lack of civility to outright hostility and obstructionism. Such behavior does not serve justice but tends to delay and often deny justice. The lawyers who use abusive tactics, instead of being part of the solution, have become part of the problem.

The desire for respect and confidence by lawyers from the public should provide the members of our profession with the necessary incentive to attain the highest degree of ethical and professional conduct.

These rules are primarily aspirational. Compliance with the rules depends primarily upon understanding and voluntary compliance, secondarily upon reenforcement by peer pressure and public opinion, and finally when necessary by enforcement by the courts through their inherent powers and rules already in existence.

These standards are not a set of rules that lawyers can use and abuse to incite ancillary litigation or arguments over whether or not they have been observed.

We must always be mindful that the practice of law is a profession. As members of a learned art we pursue a common calling in the spirit of public service. We have a proud tradition. Throughout the history of our nation, the members of our citizenry have looked to the ranks of our profession for leadership and guidance. Let us now as a profession each rededicate ourselves to practice law so we can restore public confidence in our profession, faithfully serve our clients, and fulfill our responsibility to the legal system.

The Supreme Court of Texas and the Court of Criminal Appeals hereby promulgate and adopt **"The Texas Lawyer's Creed -- A Mandate for Professionalism"** described above.

In Chambers, this 7th day of November, 1989.

The Supreme Court of Texas

Thomas R. Phillips, Chief Justice
Franklin S. Spears, Justice
C. L. Ray, Justice
Raul A. Gonzalez, Justice
Oscar H. Mauzy, Justice
Eugene A. Cook, Justice
Jack Hightower, Justice
Nathan L. Hecht, Justice
Lloyd A. Doggett, Justice

The Court of Criminal Appeals

Michael J. McCormick, Presiding Judge
W. C. Davis, Judge
Sam Houston Clinton, Judge
Marvin O. Teague, Judge
Chuck Miller, Judge
Charles F. (Chuck) Campbell, Judge
Bill White, Judge
M. P. Duncan, III, Judge
David A. Berchelmann, Jr., Judge