

AGENDA ITEM SUMMARY SHEET

City of Rollingwood

Meeting Date: July 16, 2025

Submitted By:

Staff.

Agenda Item:

Discussion and possible action on Resolution 2025-07-16-10 suspending the effective date of the implementation of rate adjustments by Texas Gas Service Company.

Description:

On June 30, 2025, Texas Gas Service Company ("TGS" or "Company"), a Division of ONE Gas, Inc. ("ONE Gas"), following Subchapter C of Chapter 104 of the Gas Utility Regulatory Act, filed its Statement of Intent to change rates of gas at the Railroad Commission of Texas ("RRC") and in all of the municipalities exercising original jurisdiction within the incorporated areas of the Central-Gulf, West North, and Rio Grande Valley Service Areas, effective August 19, 2025.

TGS is seeking to increase its revenues by \$41.1 million, which is an increase of 9.83% excluding gas cost. TGS is seeking approval to consolidate all of its service areas into a single statewide jurisdiction. The Company is seeking: (1) approval for the enforcement of new depreciation rates; (2) a cautious finding regarding their capital investment; (3) new tariffs and/or changes to current tariffs that reflect unification. TGS's proposed rates for all its customers are based on the systemwide cost of providing service to customers throughout the entirety of Texas.

The resolution suspends the August 19, 2025 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with other similarly situated cities with original jurisdiction served by TGS, to evaluate the filing, to determine whether the filing complies with the law, and if lawful, to determine what further strategy, including settlement, to pursue.

The law provides that the Company's rate request cannot become effective until at least 35 days following the filing of the application. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. If the City fails to take some action regarding the filing before the effective date, TGS's rate request is deemed approved.

Action Requested:

To take action on the proposed Resolution 2025-07-16-10 suspending the effective date of the implementation of rate adjustments by Texas Gas Service Company.

Fiscal Impacts:

Approval and adoption of this resolution would not have a fiscal impact on the City.

Attachments:

- Proposed resolution.