

AGENDA ITEM SUMMARY SHEET

City of Rollingwood

Meeting Date: September 18, 2024

Submitted By:

Staff

Agenda Item:

Discussion and possible action on a resolution denying Texas Gas Service Company's requested rate increase

Description:

On June 3, 2024, Texas Gas Service Company ("TGS" or "Company"), a Division of ONE Gas, Inc., pursuant to Gas Utility Regulatory Act § 104.102, filed its Statement of Intent to change gas rates at the Railroad Commission of Texas ("RRC") and in all municipalities exercising original jurisdiction within the incorporated areas of the Central-Gulf Service Area ("CGSA"), effective July 8, 2024.

In a prior City action, TGS's rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law, until October 4, 2024. This time period has permitted the City, through its participation in a coalition of similarly situated cities ("TGS Cities"), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of experts engaged by TGS Cities, TGS's request for a rate increase should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by TGS.

Explanation of "Be It Resolved" Sections of the Resolution:

Section 1. This section finds that the Company's application is unreasonable and should be denied.

Section 2. This section requires TGS to maintain its existing rates within the City.

Section 3. This section states that City's reasonable rate case expenses shall be reimbursed by TGS within 30 days of presentation of an invoice to TGS.

Section 4. This section recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

Section 5. This section provides that the City will notify counsel for TGS and counsel for TGS Cities of the City's action by sending a copy of the approved and signed Resolution to each counsel.

Action Requested:

To review and take action on a resolution denying Texas Gas Service Company's requested rate increase

Fiscal Impacts:

No significant fiscal impacts anticipated at this time.

Attachments:

- Draft Resolution 2024-09-18-16 Denying the Texas Gas requested rate increase