



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	August 5, 2024
ITEM TITLE:	Consider and take appropriate action on resolution denying West Texas Gas Utility, LLC's proposed increase in rates filed on or about July 16, 2024.
STAFF INITIATOR:	Randy Criswell, City Manager

BACKGROUND:

West Texas Gas has filed a Statement of Intent to increase its base rate revenues by approximately \$6.78 million, their first request to increase base rates since 2020. Since 2020, WTG has raised its rates by means of "GRIP" filings. WolfForth is a member of a group of municipalities called The Alliance of WTG Municipalities (AWM) and has been represented in the past by Alfred R. Herrera, with the firm of Herrera Law and Associates, PLLC. A memo from Mr. Herrera is included with this item, containing more details about the filing.

We have three options regarding this application:

1. Take no action and the increase goes into effect on August 20, 2024;
2. Suspend the proposed effective date for 90 days, in which case the rate increase will take effect no later than November 18, 2024; or
3. Deny the proposed increase. Under this scenario, WTG will appeal the denial to the Railroad Commission of Texas and the RRC will determine the final outcome.

The Resolution attached will provide the following actions: We will continue to participate in AWM, we select Herrera Law & Associates to represent us, and denies the rate increase.

EXHIBITS:

COUNCIL ACTION/STAFF RECOMMENDATION:

The Resolution should be approved as presented.