City of Austin
File ID: 25-2175

Council Meeting Backup: November 6, 2025

ORDINANCE NO.

AN ORDINANCE DENYING A RATE INCREASE PROPOSED BY TEXAS GAS SERVICE COMPANY; APPROVING CONTINUED MEMBERSHIP IN 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 TEXAS GAS SERVICE COMPANY.

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

PART 1. Council makes the following findings:

- (A) On June 30, 2025, Texas Gas Service Company ("TGS"), a Division of ONE Gas, Inc., filed a Statement of Intent with the City to increase rates within the Central-Gulf Service Area (CGSA), including the City, and consolidate its service areas into a single statewide service area. TGS is seeking a statewide increase of \$41.1 million annually, an increase of 7.07% including gas costs, or 9.83% excluding gas costs.
- (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 TGS' rates, operations, and services within the municipality.
- (C) On July 24, 2025, in Ordinance No. 20250724-027, 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 known as TGS Cities, hired and directed legal counsel and rate consultants to prepare a common response to TGS's requested system-wide rate increase which resulted in a conclusion that TGS's rates are not reasonable and a recommendation that the rate request be denied.
- (E) The City, with TGS Cities, intervened in the ongoing Railroad Commission of Texas ("RRC") Case No. OS-25-00028202 for the unincorporated areas and for those cities that have relinquished their jurisdiction to the RRC of the all areas served by TGS.

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(F) The City conducted a public he	aring concerning a change in gas rates
1 1	r 6, 2025. The City accepted input from
stakeholders and members of the	ie public.
	under Chapter 103 of GURA, the City finds
located within the City limits are unfair, ur	ment of Intent to be recovered from customers
proposed rates are hereby denied.	ijust, und unicusonable, and therefore, the
PART 3. Council directs the city manager	r to continue to work in coalition with TGS
Cities; including ongoing engagement with	
	nd consultants to advise and assist the City and
	atory authority over the rates of TGS. Further, Gosselink Rochelle & Townsend, P.C, with
the participation and approval of the city m	
proceedings, upon any appeal by TGS, at t	the Railroad Commission of Texas related to
this rate increase request.	
PART 4. TGS is directed to reimburse all	related reasonable municipal rate case
expenses incurred by the City in relation to	TGS' filing.
PART 5. A copy of this ordinance shall be	e sent to TGS representatives Judy Hitchye,
Texas Gas Service Company, Barton Skyw	_
	, and to Thomas Brocato at Lloyd Gosselink s Avenue, Suite 1900, Austin, Texas 78701
(tbrocato@lglawfirm.com).	, revenue, Butte 1900, rustin, rexus 70701
PART 6. This ordinance takes effect on _	. 2025.
PASSED AND APPROVED	,
PASSED AND APPROVED	
	§ §
, 2025	8 8
, 2028	Kirk Watson
	Mayor
APPROVED:	ATTEST:
Deborah Thomas City Attorney	Erika Brady City Clerk
	City Clork