



City of Austin

Recommendation for Action

File #: 26-2392, Agenda Item #: 89.

8/27/2026

Posting Language

Conduct a public hearing and consider an ordinance related to the Statement of Intent to Increase Gas Rates proposed by SiEnergy Gas, LLC, for natural gas services; authorize the City's ongoing participation in a coalition of cities, including participation in proceedings related to the rate increase at the Railroad Commission of Texas; authorizing engagement with counsel and consultants for the coalition of cities, including authorizing settlement of the rate case; requiring reimbursement by SiEnergy Gas, LLC, of the municipal rate case expenses; and providing notice to SiEnergy Gas, LLC. Funding: This item has no fiscal impact.

Lead Department

Austin Financial Services

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

May 28, 2026 - Council approved an ordinance suspending SiEnergy Gas, LLC's proposed rate increase for 90 days and authorized staff to join a coalition of cities participating in proceedings related to the proposed rate increase before the Railroad Commission of Texas.

For More Information:

Derrick Dean, Acting Controller, 512-974-1301; Kim Euresi, Deputy Controller, 512-974-2232.

Additional Backup Information:

On May 4, 2026, SiEnergy, LP filed a Statement of Intent seeking to increase the gas utility rates within the City of Austin and other areas it serves in Texas. SiEnergy has also provided notice of intent to consolidate operations and assets with other members of the SiEnergy Holding, LLC family of companies, Pines Gas, Inc., and Pines Gas Development, Inc. In the filing, SiEnergy is seeking to increase revenue in the incorporated areas by approximately \$4.0 million or a 31.4% increase over adjusted revenues, excluding gas costs.

There are approximately 304 residential customers in the City of Austin that would be impacted by the proposed rate increase:

Residential	Existing Rate - Monthly	Proposed Rate - Monthly
Customer Charge	\$19.25	\$24.75
Volumetric Charge per Ccf	\$0.6511	\$0.8996
General Service Small		
Customer Charge	\$42.50	\$70.00
Volumetric Charge per Ccf	\$0.6958	\$0.8996

The Texas Utilities Code § 103.001 (the Gas Utility Regulatory Act, or GURA) grants a city exclusive original jurisdiction over a gas utility's rates charged to customers within the city limits and permits cities to deny a proposed change in rates with-in 125 days from the initial filing. The City must take action by September 4, 2026.

The coalition of cities engaged the services of legal counsel and rate consultants to review SiEnergy's filings. The consultants identified numerous unreasonable expenses and proposed significant reductions in SiEnergy's request. City staff recommends that Council approve an ordinance denying SiEnergy's proposed rate increase. If council denies the rate increase, SiEnergy will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with SiEnergy's ongoing case related to the environs and those cities that have relinquished their jurisdiction which is currently pending at the Railroad Commission (Case No. OS-26-00031317). The City will continue to participate with the coalition of cities, jointly engaging rate experts and consultants and participating in the proceedings at the Railroad Commission.