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**NEWS
RELEASE**

10/ 27/ 2025

City Council Schedules Public Hearing in Texas Gas Service Rate Case

Action Continues City's Efforts to Protect Residents from Unjustified Rate Increases

EL PASO, Texas—The El Paso City Council voted to direct staff to schedule a public hearing on Monday November 17, 2025, to allow residents to hear directly from Texas Gas Service (TGS) about its proposed rate hike and the potential impact on local ratepayers.

City Council also authorized staff to enter settlement negotiations with TGS and other intervening parties. The Railroad Commission of Texas will hold a formal hearing before an administrative law judge in Austin on November 4-5, 2025, to review TGS's June 2025 proposal to increase residential rates.

At City Council's direction, Texas Gas Service has been asked to take additional steps to ensure transparency and community engagement:

- Attend the City's public hearing on November 17, 2025, to present its proposal directly to residents and City leaders.
- Host community meetings in each Council district between November 4 and November 17, if needed, to give residents a clear understanding of the proposed rate changes and their potential impact.

These actions reflect the City's commitment to holding utility providers accountable and ensuring El Pasoans have the opportunity to be informed and heard.

Earlier this year, Council voted to intervene at the state level and suspend the proposed rate hike to allow staff time to analyze the company's request and assess its potential impact on El Paso customers.

Under TGS's proposal, El Paso households could see an average residential bill increase of more than 27 percent—more than double what would occur if the current regional rate structure were maintained. The City's analysis shows that merging the West Texas, Central Gulf, and Rio Grande Valley service areas into a single statewide system would unfairly shift costs onto El Paso residents.

"Utility companies must demonstrate that their requests are necessary, justified, and reasonable," said City Attorney Karla Nieman. "The City's responsibility is to stand up for El Pasoans and oppose any efforts to have local ratepayers subsidize other regions of the state. Our team is fully engaged to make sure rates remain fair, transparent, and based on sound evidence."

City's Position

The City of El Paso has formally intervened in the case before the Railroad Commission of Texas to ensure fairness and compliance with state law requiring "just and reasonable" rates.

—more—

Promoting Transparent & Consistent Communication
Among All Members of the Community

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The City's experts have recommended:

- Maintaining separate service-area rates to ensure fairness and prevent cross-subsidies.
- Adopting a 9.0% return on equity (ROE) with a 50-50 debt-to-equity ratio, rather than TGS's proposed 10.4% ROE and 60-40 split.
- Rejecting TGS's proposal to spread credit card processing fees to all customers.

"These recommendations are about protecting working families and keeping El Paso's cost of living sustainable," Nieman added. "Our legal and legislative affairs team is committed to ensuring that the community's interests are heard clearly in this case."

Next Steps

The City encourages residents to stay informed and engaged as the rate case moves forward.

Key upcoming dates:

- November 4–5, 2025: Formal hearing before the Railroad Commission of Texas in Austin.
- November 4–17, 2025: Community meetings hosted by Texas Gas Service (as needed) in each Council district.
- November 17, 2025: City Council public hearing on the proposed rate increase.
- January 2026: Expected final decision by the Railroad Commission of Texas.

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