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**NEWS
RELEASE**

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City Council Votes to Deny Texas Gas Service's Proposed 27% Rate Increase

City Continues to Advocate for Fair, Reasonable Rates Before the Railroad Commission

EL PASO, Texas—The El Paso City Council voted today to deny Texas Gas Service's proposed 27 percent rate increase following a public hearing that allowed residents to hear directly from the company and City staff. The Council's action reinforces its commitment to protecting El Paso ratepayers from unjustified utility hikes and ensuring gas rates remain fair, transparent, and based on the true cost of service in this region.

The decision follows months of review, analysis by the City's financial and legal experts, and extensive community engagement, including eight public meetings across all districts earlier this month.

"City Council has been clear from the start: any increase must be justified, data-driven, and equitable," said City Attorney Karla Nieman. "This Council is standing up for working families by rejecting a proposal that would have unfairly shifted costs from other regions of Texas onto our community. We remain committed to advocating before the Railroad Commission to ensure that El Paso residents are treated fairly."

About the Proposal

Texas Gas Service (TGS) is proposing to consolidate its service areas in West Texas, the Central Gulf, and the Rio Grande Valley into a single statewide rate structure. The company claims a total statewide revenue deficiency of \$41.1 million, with the largest portion—\$28.3 million—coming from the West North Service Area, which includes El Paso.

The City's analysis shows that consolidating these regions would force El Paso customers to absorb a disproportionate share of the statewide increase. While El Paso households would experience an average 27 percent hike, customers in other regions, most notably the Rio Grande Valley, would see decreases in their monthly bills under consolidation. The City maintains that this imbalance underscores the risk of shifting costs across regions with very different infrastructure needs and service conditions.

The City's independent experts determined that TGS's proposal does not accurately reflect local infrastructure costs or service conditions, and that combining all service areas would have forced El Pasoans to subsidize customers in other parts of the state.

City's Action and Next Steps

With today's vote, the City of El Paso has formally denied the requested rate increase under its original jurisdiction. The case now proceeds to the Railroad Commission of Texas, which will make the final determination in early 2026.

At the same time, the City continues active settlement negotiations with Texas Gas Service and other intervening parties to explore alternatives that could result in fair and balanced outcomes for local ratepayers. The City's legal and legislative affairs team will also continue advocating before the Railroad Commission for rates that are just, reasonable, and regionally appropriate.

"Residents made their voices heard throughout this process, and I want to thank every El Pasoan who spoke up," said Mayor Renard U. Johnson. "Today's decision reflects that input and reinforces our duty to protect fairness, transparency, and accountability for every household and business in our city. We will not allow El Paso families to be overcharged to subsidize other regions. We will continue to stand up, push back when necessary, and defend what is right for El Paso."

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