

DRAFT: Resource Management Commission Resolution on Oversight of Gas Utilities

Whereas, gas utilities in Austin are contributing a considerable amount of emissions to Austin's carbon footprint, and these companies have no viable plan to substantially reduce them at this time; and

Whereas these companies have a regressive residential rate model that charges less for increasing amounts of use; and

Whereas, regressive rates encourage consumption and increased carbon emissions; and

Whereas, increasing consumption raises average gas bills and is particularly punishing to low-income customers who generally use less energy; and

Whereas, this policy conflicts with Austin's electric and water utilities, which have adopted progressive rates and charge more for high levels of consumption; and

Whereas, Texas Gas Service employs a business model that charges existing customers most of the cost of new infrastructure, which raises rates, while Austin's water and electric utilities recover new infrastructure costs from new customers and have lowered rates because of this; and

Whereas customer assistance to low-income customers from gas companies in Austin is woefully inadequate to serve the number of economically distressed ratepayers; and

Whereas, the franchise for Texas Gas Service is set for renewal in 2026, and negotiations will begin in about 2023; and

Whereas, this franchise represents considerable source of income to the City of Austin, and also sets rules that can direct the utility to follow Austin's community values; and

Whereas, no City board or commission currently has purview to advise City Council on gas rate cases (unlike electric and water utility rates), gas franchises; or purview related to many environmental or consumer-related issues of these utilities;

Then be it Resolved, that the Resource Management Commission request the City Council of Austin to broaden its Commission purview for review gas companies operating within the city limits so that the Commission can advise Council on economic and policy direction.