



BOARD/COMMISSION RECOMMENDATION

Resource Management Commission

Recommendation No. 20240820-005

Recommendation to Support Conservation-Base Natural Gas Rates

WHEREAS, Texas Gas Service (TGS) has proposed Residential rates that are over a 100% increase from rates in 2019; and

WHEREAS, a rate case for this increase is currently being adjudicated at the Texas Railroad Commission; and

WHEREAS, TGS rates are highly regressive, so the more a customer uses, the less a customer pays per unit of energy; and

WHEREAS, regressive rates work against the goal of energy conservation, a goal which the Resource Management Commission is charged with encouraging;

THEN BE IT RESOLVED that the Resource Management Commission recommend that the Austin City Council adopt a rate-case policy that changes the TGS Residential rate structure to do the following:

1. Limit the amount collected by the monthly fee to no more than 25% of total rate revenue requirements for the Residential rate class (reflecting Austin Energy's current policy), with the balance being obtained from volumetric charges;
2. Create 3 consumption tiers, including a low-tier for customers who do not use gas for space heating; a tier for average use; and a tier for high levels of gas consumption;
3. Argue against adoption of the TGS proposal for two distinct residential rate options that place the burden of choice upon individual customers.

Date of Approval: August 20, 2024

Vote: 7-1

For: Commissioner Paul Robbins, Vice Chair; Commissioner Charlotte Davis; Commissioner Trey Farmer; Commissioner Dino Sasaridis; Commissioner Chelsey Scaffidi; Commissioner Raphael Schwartz; Commissioner Alison Silverstein

Against: Commissioner GeNell Gary

Abstentions: None

Off Dais: None

Absences: Commissioner Louis Stone, Chair; Commissioner Martin Luecke

Vacancies: Mayor's Office

Attest:

Natasha Goodwin, Staff Liaison