



The Senate of Texas

CÉSAR J. BLANCO

TEXAS SENATOR
DISTRICT 29

November 17, 2025

Robert S. McAnnally
President & Chief Executive Officer
Texas Gas Service / ONE Gas, Inc.
15 E. 5th Street
Tulsa, OK 74103

RE: Texas Gas Service Rate Case, Docket No. OS-25-00028202

Dear Mr. McAnnally,

I am writing on behalf of the residents of Texas Senate District 29 regarding Texas Gas Service's proposed rate increase for the El Paso region, including the pending request before the Texas Railroad Commission (Docket No. OS-25-00028202). While I recognize the importance of maintaining and investing in critical infrastructure, I have serious concerns about the scope of this proposal and its impact on El Paso households, particularly those already facing significant financial strain.

Families across our region are managing rising costs for utilities, groceries, housing, and basic necessities. Property valuation increases, inflation, and other utility adjustments have already placed added pressure on household budgets. An additional natural gas rate increase, especially only three years after the last adjustment, would further burden residents who are already stretched thin.

According to Texas Gas Service's filing, a substantial portion of the requested increase is due to a proposed consolidation of the company's three service areas into a single statewide rate structure. While this may reduce rates in other parts of Texas, the data presented indicates that it would disproportionately shift higher costs onto El Paso customers. In effect, our region, which has lower average incomes and slower population growth compared to other parts of the state, would be subsidizing the system costs of more rapidly growing Texas communities. This is not an appropriate or equitable outcome.

El Paso's economic realities underscore this concern. Approximately 18.9% of El Paso County residents—about 161,000 people—live below the poverty line, a rate significantly higher than the national average of 12.4%. According to publicly available demographic analyses, some of the groups most affected by poverty in El Paso include women ages 25 to 34, followed by women ages 35 to 44, and children under 12. Seniors living on fixed incomes also face heightened financial vulnerability due to rising costs of housing, healthcare, and utilities. These households already experience substantial economic pressures, and a rate increase of this magnitude would place a disproportionate financial burden on the community's most vulnerable residents.

I am also concerned about the proposed increase in the fixed monthly customer charge, which would disproportionately affect lower-usage customers, as well as the requested return-on-equity increase from 9.65% to 10.5%. Many industry experts suggest that a more reasonable range would fall closer to 9% to 9.5%. While I understand the need for financial stability and continued investment in system reliability, rate adjustments must be justified by strong data and aligned with consumers' best interests.

I appreciate that Texas Gas Service has described this filing as an initial proposal. However, given the potential impact on our community, I expect the company to fully justify each component of the request, provide transparent data to regulators and stakeholders, and meaningfully consider alternatives that reduce financial pressure on El Paso households.

I respectfully urge Texas Gas Service to give these concerns serious consideration and work toward a balanced approach, one that supports necessary infrastructure investment while safeguarding customers from undue and disproportionate burdens, particularly those originating from other regions of the state.

My office will continue to monitor this case closely. I welcome continued dialogue and stand ready to work with all parties toward a fair, transparent, and responsible outcome for the people of El Paso.

Sincerely,



César J. Blanco
Texas State Senator
District 29