

RESOLUTION NO. 4300

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA INCREASING NATURAL GAS RATES AS A RESULT OF INCREASING OPERATING COSTS

WHEREAS, Resolution No. 4156, approved May 4, 2023, commenced a natural gas purchase policy providing structured gas purchasing including, among other requirements, that reporting shall occur to the City Council by the end of each August such that rates may be adjusted prior to winter if needed; and

WHEREAS, Resolution No. 4173, approved August 17, 2023, decreased natural gas rates 20 percent effective September 1, 2023; and

WHEREAS, Resolution No. 4231, approved August 15, 2024, amended the gas purchase policy to require 80 percent fixed price purchases of wintertime requirements, lowered from 100 percent; and

WHEREAS, natural gas rates were held constant through winter 24/25 in the hope that wholesale natural gas costs would drop before purchases for winter 25/26; and

WHEREAS, natural gas costs for winter 25/26 are similar to 24/25, and other operating costs are increasing, especially PG&E transportation costs; and

WHEREAS, the natural gas system needs capital repair, specifically replacement of cathodic anode beds protecting steel distribution mains in the older part of the City; and

WHEREAS, IGService has provided a written report dated September 16, 2025, and presented to the City Council on August 21st and October 16th meeting the reporting requirements of the approved gas purchase policy; and

WHEREAS, based on higher anticipated gas costs for winter 25/26, IGService has calculated that gas rates should be increased 20 percent above the present rates; and

WHEREAS, City Council through deliberation at the October 16th meeting approved Resolution No. 4293 and determined to reduce the calculated increase from twenty (20) percent to five (5) percent and to approve the transfer of \$200,000 from the City's general fund reserves to the natural gas enterprises to cover the anticipated replacement costs of two anode beds; and

WHEREAS, City Council approved Resolution No. 4293 on October 16, 2025, and now wishes to rescind said Resolution in part; and

WHEREAS, City Council may set natural gas rate by resolution pursuant to Section 6-5.28 of the City's Municipal Code; and

WHEREAS, the City of Coalinga's gas system is operated safely, reliably, and benefits Coalinga's residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Coalinga as follows:

1. The recitals set forth above are true and correct as of the date this Resolution was adopted.

2. Section 4 of City Council Resolution No. 4293, the authorization of the transfer of \$200,000 of general fund reserves to the gas enterprise fund for the specific purpose of replacing two anode beds, is hereby rescinded.
3. The rates for natural gas service provided by the City of Coalinga are hereby revised as follows.

City of Coalinga Natural Gas Rates					
	Summer Therms (Apr-Oct)	Winter Therms (Nov-Mar)	Effective 9/1/23	Effective 11/1/25	Effective 12/1/25
				5%	5%
Monthly Charge (\$/Mo)			\$12.18	\$12.79	\$13.43
Residential Single-Family Baseline (\$/Th)	15	50	\$0.88	\$0.92	\$0.97
Residential Single-Family Excess (\$/Th)	Over 15	Over 50	\$1.31	\$1.37	\$1.44
Commercial and All Other (\$/Th)	All Supply		\$1.31	\$1.37	\$1.44
9/1/23: Resolution No. 4173					
11/1/25: Resolution No. 4293					
12/1/25: Resolution No. 4300					

4. The December 1, 2025 revised rates shall be effective with the meter reading cycle beginning in December 2025 and ending in January 2026, such that the new rates are applied to billing statements issued at the end of January 2026.
5. Revenues derived from the revised rates will not exceed amounts needed to provide gas services to city customers.
6. City of Coalinga staff prepare a Rate Stabilization and Infrastructure Repairs Policy for City Council's review and approval.

The foregoing resolution was approved and adopted as amended at a regular meeting of the City Council of the City of Coalinga held on this **4th day of December, 2025**, by the following vote:

AYES: Hedgecock, Schindler, Lowder, Ramirez, Vosburg
 NOES: None
 ABSTAIN: None
 ABSENT: None

APPROVED:



 Nathan Vosburg, Mayor

ATTEST:

Shannon Jensen

Shannon Jensen, City Clerk