

MEMO

TO: MEMBERS OF CITY COUNCIL
FROM: DONALD S. GLYWASKY, CITY ATTORNEY
DATE: FEBRUARY 14, 2023
RE: RESOLUTION SUSPENDING EFFECTIVE DATE OF TEXAS GAS RATE
ADJUSTMENT

- 1) On or about February 9, 2024 Texas Gas filed an application with the Texas Railroad Commission for an interim rate adjustment as a GRIP filing.
- 2) GRIP, which was created in 2003 by the Texas Legislature, allows gas utilities to hike rates by claiming extra capital investment associated with infrastructure once a year, for up to six years. At the end of that period, the utility is required to submit to a comprehensive rate case.
- 3) The GRIP filing shows that gas sales on residential customer will increase 4.49% and commercial rates by 3.66% as well as other increases in other rate classes.
- 4) Because the City has primary jurisdiction over rate hikes, Council may be resolution suspend its implementation of the rate increase for several weeks. After that time expires the rate hike will automatically become effective.
- 5) The only time the GRIP rates hikes can be challenged is when the utility files a Cost of Service Adjustment (COSA) which is subject to full review before the Commission. All costs are then subject to review.
- 6) The choice before Council is to approve the Resolution and delay implementation of the rate hike or take no action on the Resolution and allow the rate hike to go into effect on or about April 10, 2023.