



# City of Austin

## Recommendation for Action

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**File #:** 26-1422, **Agenda Item #:** 4.

4/9/2026

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### Posting Language

Approve an ordinance to suspend a Gas Reliability Infrastructure Program interim rate adjustment proposed by Texas Gas Service Company. Funding: This item has no fiscal impact.

### Lead Department

Austin Financial Services

### Fiscal Note

This item has no fiscal impact.

### For More Information:

Marija Norton, Controller, 512-974-2951; Kim Euresti, Deputy Controller, 512-974-2232.

### Additional Backup Information:

On March 10, 2026, Texas Gas Service Company (TGS), a division of ONE Gas, Inc., made a Gas Reliability Infrastructure Program (GRIP) filing in the City of Austin and in other cities it serves within the incorporated areas.

This filing was made under Texas Utilities Code, Section 104.301, which establishes the GRIP and allows a gas utility, on an annual basis, to recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings. The last TGS full-rate case was in 2025. GRIP rates must be based on reasonable increases in invested capital costs. Operation and maintenance costs cannot be recovered through a GRIP.

TGS determined the net increase in capital invested from January 1, 2025, through December 31, 2025, to be \$278,096,965. The Interim Rate Adjustment necessary to recover this incremental investment is \$36,977,687 on a system-wide basis, of which \$33,157,362 is attributable to customers in the TGS incorporated areas.

The Interim Rate Adjustment will increase the average residential bill by \$3.58 per month, excluding taxes. It will increase the current monthly fixed customer charge for each Small Residential account from \$19.50 to \$23.08; and for each Large Residential account from \$35.00 to \$38.58. The Interim Rate Adjustment will increase the average commercial bill by \$13.70 per month, excluding taxes. It will increase the monthly fixed customer charge for each Small Commercial account from \$75.00 to \$88.70; and for each Large Commercial account from \$150.00 to \$163.70.

These increases have an effective date for meters read beginning on May 9, 2026, unless suspended by 45 days as allowed by Section 104.301 of the Texas Utilities Code.

As the local regulatory authority for natural gas rates charged to customers in Austin, the City Council has the authority to suspend implementation of the proposed rate increase for up to 45 days to allow additional time for staff to exercise the City's limited ministerial authority to review the filing to ensure it complies with the requirements of the GRIP statute that allows recovery of the prior year's invested capital. Staff recommend

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approval of this ordinance, suspending the effective date by 45 days. No further Council action will be needed.