



## TOWN ATTORNEY

**To:** Mayor and Town Council

**From:** Terrence S. Welch, Town Attorney

**Through:** Mario Canizares, Town Manager

**Re:** Suspending CoServ Ltd.'s Requested GRIP Rate Adjustments

Town Council Meeting – August 26, 2025

**Strategic Visioning Priority: 4. Provide Excellent Municipal Services**

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**Agenda Item:**

Consider and act upon a Resolution suspending a requested GRIP rate increase from CoServ Gas, Ltd.

**Description of Agenda Item:**

On July 18, 2025, CoServ Gas, Ltd. ("CoServ"), pursuant to Chapter 104 of the Gas Utility Regulatory Act, found in the Texas Utilities Code, proposed to implement interim adjustments under the Gas Reliability Infrastructure Program (GRIP) because of investments that CoServ Gas allegedly made in calendar year 2024. The rates charged by CoServ are regulated and set by the individual cities within the system and the Pipeline System is regulated exclusively by the Railroad Commission of Texas (RRC). By suspending the proposed rate increase, the Town will be allowed an indefinite time period to reasonably review CoServ's data and take appropriate action. Otherwise, the GRIP Rate adjustments will be effective September 17, 2025.

**Budget Impact:**

There is no budgetary impact affiliated with this item.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached Resolution as to form and legality.

**Attached Documents:**

1. Resolution

**Town Staff Recommendation:**

The Town Attorney recommend that the Town Council approve a Resolution suspending a requested GRIP rate increase from CoServ Gas, Ltd.

**Proposed Motion:**

I move to approve a Resolution suspending a requested GRIP rate increase from CoServ Gas, Ltd.