

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	15446	Agenda Number	72.
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Meeting Date:	5/24/2012	Department:	Telecommunications and Reg Affairs
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Subject

Approve an ordinance amending Ordinance No. 20120301-029 to extend the suspension of Atmos Energy Corporation's proposed increase in customer gas rates.

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Suspension of Atmos Energy Corporation's proposed rates on March 1, 2012 granted. April 26, 2012 --- Set Public Hearing for May 24, 2012
For More Information:	Rondella M. Hawkins, Office of Telecommunications and Regulatory Affairs; (512) 974-2422
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Under the Gas Utilities Regulatory Act (Chapters 101 through 105 of the Texas Utilities Code), the City has original jurisdiction over gas utility rates set for customers within its city limits. On January 31, 2012, Atmos Energy Corporation, Mid-Tex Division, filed for an increase in its system-wide annual rates by \$49.0 million.

On March 1, 2012, the City Council exercised its statutory authority by adopting Ordinance No. 20120301-029 ("Suspension Ordinance") suspending for ninety days Atmos' proposed rate effective date from March 6, 2012 to June 4, 2012. Atmos has since amended its proposed rate filing to extend the proposed effective date, thereby allowing the affected municipalities to extend the ninety-day suspension period to June 15, 2012.

Staff recommends extending the suspension period in the Suspension Ordinance to include the full ninety-day suspension period as adjusted by Atmos.

Atmos has just over 6,300 customers in the City of Austin. Austin is a member of the Atmos Texas Municipalities

(ATM), a coalition of cities affected by the proposed rate increase. The ATM coalition has engaged attorneys and experts to review the reasonableness of Atmos' rate request. The Suspension Ordinance, as extended, will allow the City, the ATM coalition, and their attorneys and rate consultants to work with Atmos to pursue an agreed proposed resolution of the rate filing before the expiration of the suspension period.