

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	57545	Agenda Number	21.
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Meeting Date:	5/12/2016	Department:	Telecommunications and Reg Affairs
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Subject

Set a public hearing regarding ATMOS Energy Corporation's proposal to increase customer gas rates. (Suggested date and time May 19, 2016; 4:00 p.m. at City Hall; 301 W. Second Street, Austin, TX)

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Rondella M. Hawkins, TARA Officer, 512-974-2422
Council Committee, 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 March 1, 2016, Atmos Energy Corporation, Mid-Texas Division, filed for an annual increase in system-wide rates, pursuant to a rate review mechanism (RRM), of approximately \$28.9 million with an effective date of June 1, 2016. The rate increase represents a monthly increase of \$1.52 (2.92% overall) for the average residential customer; \$4.58 (1.71% overall) for the average commercial customer, and \$123.64 (2.39% for the average Industrial) and 3.37% for Transportation customers overall.

The RRM established a process for reviewing Atmos' cost of service on an annual basis in lieu of the interim rate adjustment process known as the Gas Reliability Infrastructure Program. The RRM was approved by City Council in 2013.

Atmos has just over 8,000 customers in the City of Austin. Austin is one of several Texas municipalities affected by the Atmos rate increase that have joined as a coalition known as the Atmos Texas Municipalities in order to collectively engage rate experts to review, advise and represent the coalition on Atmos' proposed rate increases.

Article XI, Section 6 of the City Charter subjects franchised gas utilities operating in Austin to the regulatory jurisdiction of the City Council and requires any rate request to be adopted by ordinance after a hearing on the increase.