

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL
Regular Meeting: May 10, 2018

Item Number: **086**

Public Hearing and Possible Action

Conduct a public hearing and consider an ordinance regarding Atmos Energy Corporation's proposal to reduce customer rates.

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| Lead Department | Telecommunications and Regulatory Affairs. |
| Fiscal Note | This item has no fiscal impact. |
| Prior Council Action | Council set the time and date for this public hearing at its April 26, 2018 meeting. |
| For More Information | Rondella M. Hawkins, TARA Officer; 512-974-2422. |

Additional Backup Information:

Pursuant to the Gas Utilities Regulatory Act, the City has original jurisdiction over privately owned gas utility rates set for customers within its city limits. Article XI of the City Charter requires that City Council conduct a public hearing before taking action on proposed rate changes.

On March 9, 2018, Atmos Energy Corporation notified the City of its intent to reduce gas utility rates within the incorporated areas of the Mid-Tex Division which includes the City of Austin effective April 1, 2018. The rate reduction resulted from the reduction of the federal corporate income tax rate from 35% to 21%. Atmos is reducing its annual charges to the Mid-Tex Division cities by \$29.6 million from the amount allowed under currently approved rates.

The impact of these changes will reduce monthly customer charges as follows:

Residential- decrease from \$19.60 to \$18.35 (-6.8%);

Commercial- decrease from \$44.70 to \$41.95 (-6.15%); and

Industrial & transport- decrease from \$799.75 to \$752.00 (-6.00%).

Staff recommends that Council approve the attached ordinance implementing the Atmos Mid-Tex rate reduction.