

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: August 23, 2018

Item Number: **048**

### Item(s) to Set Public Hearing(s)

Set a public hearing regarding Atmos Energy MidTex Division's proposal to increase customer gas rates. (Suggested date and time September 20, 2018 at 4:00 p.m. at City Hall; 301 W. Second Street, Austin, TX).

<b>Lead Department</b>	Telecommunications and Regulatory Affairs.
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>Prior Council Action</b>	On June 28, 2018, Council suspended the effective date of the proposed rate increase.
<b>For More Information</b>	Rondella M. Hawkins, TARA Officer, 512-974-2422.

### Additional Backup Information:

Under the Gas Utilities Regulatory Act, ("GURA"), Chapters 101 through 105 of the Texas Utilities Code, the City of Austin has original jurisdiction over gas utility rates set for customers within its city limits. The City Charter requires Council to hold a public hearing prior to taking any action that affects rates of a franchise holder.

On June 1, 2018, Atmos Energy MidTex Division, filed a Statement of Intent to increase natural gas rates by a total of approximately \$4.5 million which equates to an increase in annual revenue of about 8%. This item authorizes the City Council to set the public hearing and allow public comment and

consideration of the proposed rate increase. Atmos has just over 8,000 customers primarily in the northern edge of the City. Austin is one of several Texas municipalities affected by the Atmos rate increase that make up a coalition known as the Atmos Texas Municipalities,(ATM), to collectively engage rate experts to review, advise and represent the coalition on Atmos' proposed rate increase.

In accordance with its authority within GURA, on June 28, 2018, Council suspended the effective date of the proposed rate increase to allow additional time to review and evaluate whether the proposed rates are appropriate, just and reasonable. The proposed public hearing will allow public comment and Council consideration of the recommendation of the ATM rate experts' regarding the proposed rate increase-an action that must be taken before the October 4, 2018 effective date of the increase.