



Recommendation for Action

File #: 19-2450, **Agenda Item #:** 63.

8/8/2019

Posting Language

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim rate adjustment proposed by Atmos Energy Corporation's Mid-Tex Division.

Lead Department

Telecommunications and Regulatory Affairs.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On June 13, 2019, Atmos Energy Corporation Mid-Tex Division made a Gas Reliability Infrastructure Program (GRIP) interim rate adjustment filing in Austin and in the other cities that it serves in the Atmos Texas Municipalities Coalition (ATM Cities). Atmos's filing was made in compliance with the Texas Utilities Code, section 104.301 which allows a gas utility to make interim rate adjustments on an annual basis to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases. The filing notified the ATM Cities of Atmos Energy's intent to increase rates by \$6,590,595 which is based on the net increase in Atmos's capital investment in the ATM Cities for the period of January 1, 2018 through December 31, 2018. The proposed increases will become effective on August 12, 2019, unless the City suspends that date for a period of no longer than forty-five (45) days.

Based on company-provided information, the proposed rate adjustments to the monthly customer charge per customer class are as indicated by the spreadsheet attached as Exhibit A.

The average residential monthly bill would increase by \$2.84 from \$44.54 to \$47.38 (6.38%).

The average commercial monthly bill would increase by \$8.74 from \$202.99 to \$211.73 (4.31%).

The average industrial monthly bill would increase by \$155.80 from \$14,307.81 to \$14,463.61 (1.09%).

Atmos has about 8,500 active meters in the City located primarily in northeast Austin.

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.

State law authorizes the City to suspend the implementation date of the interim rate adjustment by 45 days. Atmos proposed an effective date of August 12, 2019 for the interim rate adjustment. Staff recommends a 45-day suspension until September 25, 2019, to allow additional time to review the filing to ensure it complies with statute. Staff will present its recommended action on the proposed interim rate adjustment to Council for consideration during a public hearing as required by Article XI of the City Charter before the 45-day suspension ends.