



## Recommendation for Action

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**File #:** 19-2451, **Agenda Item #:** 73.

8/22/2019

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### **Posting Language**

Set a public hearing to consider Atmos Energy Corporation's Mid-Tex Division's proposal to increase customer gas rates. (Suggested date: September 19, 2019 at Austin City Hall, 301. W. Second Street, Austin, TX).

### **Lead Department**

Telecommunications and Regulatory Affairs.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

On August 8, 2019, Council approved an ordinance suspending the effective date for Atmos Energy's proposed rate increase by 45 days.

### **For More Information:**

Rondella M. Hawkins, TARA Officer; (512) 974-2422.

### **Additional Backup Information:**

On June 13, 2019, Atmos Energy Corporation Mid-Tex Division (Atmos) made a Gas Reliability Infrastructure Program (GRIP) interim rate adjustment filing in Austin and in the other cities it serves in the Atmos Texas Municipalities Coalition (ATM Cities). This filing was made in compliance with Section 104.301 of the Texas Utilities Code, which allows a gas utility to make interim rate adjustments to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases.

The filing notified cities of Atmos's intent to increase rates by \$6,590,595, which is based on the net increase in capital investment in the ATM Cities for the period of January 1, 2018 through December 31, 2018. The proposed increases would become effective on September 26, 2019 following Council's approval of a 45-day extension from the original August 12, 2019 effective date.

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

Article XI of the City Charter requires that the City Council conduct a public hearing before taking action on proposed rates. Staff will bring its recommended action on the GRIP rate adjustment to City Council prior to the public hearing.