



## Recommendation for Action

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**File #:** 21-1733, **Agenda Item #:** 33.

4/22/2021

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### **Posting Language**

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim customer surcharge proposed by Atmos Energy Corporation.

### **Lead Department**

Telecommunications and Regulatory Affairs.

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

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

### **Additional Backup Information:**

On February 26, 2021, Atmos Energy Mid-Tex Division ("Atmos Energy") made a Gas Reliability Infrastructure Program ("GRIP") filing in Austin and in the other cities it serves in the Mid-Texas Service Area and with the Railroad Commission of Texas for the unincorporated areas ("environs") that it serves. This filing was made under Texas Utilities Code, Section 104.301, which establishes the GRIP that allows a gas utility on an annual basis to recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings. The last Atmos Energy full rate case was in 2019. GRIP rates must be based on reasonable increases in invested capital costs. Operation and maintenance costs cannot be recovered through GRIP.

Atmos Energy is seeking recovery of \$111,496,497 in invested capital for investments for the period of January 1, 2020 through December 31, 2020, on a system-wide basis in the Mid-Texas Service Area. The current filing will increase rates to residential customers by \$4.55 per month, with an increase to the current fixed residential customer charge from \$26.45 per month to \$31.00 per month, excluding taxes.

The filing will increase rates to commercial customers by \$14.52 per month, with an increase to the current fixed commercial charge from \$66.80 per month to \$81.32 per month, excluding taxes.

The City has original jurisdiction over natural gas utilities serving Austin residents. As the local regulatory authority, the City Council has the authority to suspend implementation of the proposed rate increase for up to 45 days to allow more time for staff to review the filing to ensure it complies with the requirements of the GRIP statute, but it's worth noting that cities may not challenge the request.

Staff recommends approval of this ordinance suspending the effective date by 45 days from the effective date of April 27, 2021.

### **Strategic Outcome(s):**

Economic Affordability and Opportunity; Government that Works for All.