



TOWN COUNCIL COMMUNICATION

DATE: April 16, 2024

FROM: Thad Chambers, Town Administrator

AGENDA ITEM: Discuss and consider approval of a Resolution authorizing membership in the Atmos Cities Steering Committee; and authorizing the payment of five cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation.

PURPOSE OF THE RESOLUTION:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of 185 municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division that have retained original jurisdiction. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years' experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 185 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

Bartonville is part of a similar coalition that represents municipal interests with Oncor negotiations.

THE ACSC MEMBERSHIP ASSESSMENT SUPPORTS IMPORTANT ACTIVITIES:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the Town. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

EXPLANATION OF RESOLUTION PARAGRAPHS:

- I. This paragraph authorizes the continuation of the Town's membership in ACSC.
- II. This paragraph authorizes payment of the Town's assessment to the ACSC in the amount of five cents (\$0.05) per capita, which total amount is \$85.00.
- III. This paragraph requires notification that the Town has adopted the Resolution.

RECOMMENDED MOTION OR ACTION:

Motion to approve Resolution authorizing membership in the Atmos Cities Steering Committee; and authorizing the payment of five cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation.

ATTACHMENTS:

- Draft Resolution