



# Ordinance Approving the Settlement Agreement Between the Atmos Cities Steering Committee and Atmos

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PRESENTED TO THE CITY COUNCIL ON  
SEPTEMBER 23, 2024

# Atmos Settlement Agreement

- The city is a regulatory authority over Atmos Energy Corp., Mid-Tex Division with an interest in the rates and charges of Atmos
- The city has been a longtime member of the Atmos Cities Steering Committee (ACSC)
- ACSC is a coalition of 181 other cities that undertakes activities on behalf of its city members and their citizens, including participation in rate cases
- On April 1, 2024, Atmos filed a rate request pursuant to the rate review process requesting additional system-wide revenues of \$196.8 million
- After discovery and several meetings, ACSC and Atmos agreed to settle the case for \$164.7 million, a reduction of \$32.1 million

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- The impact of the settlement on average residential usage is an increase of \$5.52 on a monthly basis, or 6.24%
- The impact of the settlement on average commercial usage is an increase of \$13.39 on a monthly basis, or 3.44%
- ACSC believes the \$164.7 settlement is fair and reasonable
- The ACSC Executive Committee urges all ACSC members to pass an ordinance approving the settlement before September 30, 2024
- New rates will become effective October 1, 2024

# Atmos Settlement Agreement

## Action Requested:

- Approve an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the company's 2024 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; and requiring the company to reimburse ACSC's reasonable ratemaking expenses.
- Staff recommends approval