



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

PRESENTED TO THE CITY COUNCIL ON
SEPTEMBER 5, 2023

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 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 March 31, 2023, Atmos filed a rate request pursuant to the rate review process requesting additional system-wide revenues of \$165.9 million
- After discovery and several meetings, ACSC and Atmos agreed to settle the case for \$142 million, a reduction of \$23.9 million

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- The impact of the settlement on average residential usage is an increase of \$6.47 on a monthly basis, or 7.31%
- The impact of the settlement on average commercial usage is an increase of \$24.72 on a monthly basis, or 5.19%
- ACSC believes the \$142 settlement is fair and reasonable
- The ACSC Executive Committee urges all ACSC members to pass an ordinance approving the settlement before September 30, 2023
- New rates will become effective October 1, 2023

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 2023 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