



## Item Brief

### Meeting Date

January 27, 2025

### Agenda Item

Discuss and consider action: Resolution No. R2025-07: K. McBurnett

RESOLUTION BY THE CITY OF BURNET, TEXAS (“CITY”) DENYING THE INCREASE IN RATES PROPOSED BY ATMOS ENERGY CORPORATION IN ITS MID-TEX DIVISION FILED ON ABOUT DECEMBER 16, 2024; AUTHORIZING INTERVENTION IN PROCEEDINGS RELATED TO ATMOS ENERGY’S APPLICATION TO INCREASE RATES; AUTHORIZING SPECIAL COUNSEL TO REPRESENT THE CITY IN MATTERS RELATED TO ATMOS ENERGY’S PROPOSED INCREASE IN RATES; DIRECTING ATMOS TO REIMBURSE RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

### Information

On December 16, 2024, Atmos Energy Corporation filed a Statement of Intent to increase its base rate revenues for the Mid-Tex Division by approximately \$16.73 million, representing an increase of 7.08% including gas costs, and 11.51% excluding gas costs.

If approved by the Railroad Commission of Texas, Atmos’s proposed rate increase would result in a 14.05% rise in residential customers’ bills excluding gas costs. Rates for commercial, industrial, and transportation customers would remain unchanged.

The coalition of cities known as the Atmos Texas Municipalities (“ATM”) was organized by a number of municipalities served by Atmos, and includes the City of Burnet. Alfred R. Herrera, with the law firm of Herrera Law & Associates, PLLC, has previously represented ATM in rate cases involving Atmos.

ATM Special Counsel recommends the City deny Atmos’s proposed rate increase by adopting the attached resolution. If adopted, the accompanying resolution:

1. Denies Atmos’s proposed increase in rates;
2. Authorizes Herrera Law & Associates, PLLC to represent the City through ATM in proceedings related to Atmos’s proposal to increase rates; and
3. Directs Atmos to reimburse ATM’s rate-case expenses.

If the City doesn’t take action on the resolution, Atmos’ proposed increase in rates is deemed approved by operation of law.

### **Fiscal Impact**

Under the Gas Utility Regulatory Act (GURA) § 103.022, cities are entitled to recover reasonable rate case expenses from the utility. This means that any legal and consulting costs incurred by the City as part of this process will be reimbursed by Atmos Energy, ensuring the City's budget is not negatively impacted.

### **Recommendation**

Staff recommends approval of Resolution No. R2025-07 as presented.