



STAFF REPORT

MEETING DATE:	March 4, 2024
MEETING TYPE:	City Council
SUBMITTED BY:	Katherine Lindsey
AGENDA CAPTION:	Discuss and consider Resolution R2024-03-1176 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. Presented by: Katherine Lindsey, Assistant to the City Administrator

Background Information

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.

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 City. 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 City's membership in ACSC.
- II. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of five cents (\$0.05) per capita.
- III. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment

The assessment payment check should be made out to "*Atmos Cities Steering Committee*" and mailed to Brandi Stigler, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

Budget Implications

Membership requires the City to pay a fee in the amount of five cents (\$0.05) per capita, based on population. This brings the invoice total to \$301.00. This is the same as last year.

Operational Impact

Membership will allow the City to stay informed on matters regarding state legislative bills, Atmos, and ERCOT, and better benefit from related advocacy efforts.

Legal Review

The Resolution was drafted and approved by Thomas Brocato, the attorney representing the Steering Committee.

Staff Recommendation

Staff recommends that the Council make a motion to approve the Resolution authorizing continued participation with 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.

Supporting Documentation and Attachments

1. Atmos Cities Steering Committee Resolution 2024
2. 2024 ACSC Invoice
3. Memorandum
4. ACSC 2024 Year in Review
5. ACSC Master List of Members – July 2023
6. Contact Form