



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	March 16, 2026
ITEM TITLE:	Consider and take appropriate action on Resolution 2026-008 Approving a Tariff Authorizing an annual Rate Review Mechanism (RRM) for Atmos West Texas
STAFF INITIATOR:	Rick Scott, ACM

BACKGROUND:

The City, along with 67 other West Texas Cities Served by Atmos Energy Corporation, West Texas Division (“Atmos West Texas” or “Company”), is a member of the Steering Committee of Cities Served by Atmos West Texas (“Cities”). In 2007, the Cities and Atmos West Texas settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent RRM Tariff the City adopted was in 2018. The 2018 RRM Tariff expired last year. Negotiations have taken place over the past several months and have resulted in a revised RRM Tariff that has been agreed to by the Company. The Steering Committee recommends acceptance of the revised RRM Tariff, which is attached to the Resolution.

The Revised Tariff attached to this Staff Report, labeled “Exhibit A” contains no substantive changes to the 2018 RRM Tariff. The changes made on the Revised Tariff update references to the most recent rate case filed by Atmos West Texas at the Railroad Commission in Docket OS-24-00018879, as well as the Final Order filed in that Docket. New RRM Tariff applications by the Company should be made on or about April 1 of each year, with new rates effective October 1.

EXHIBITS:

Summary of Atmos Energy West Texas Division RRM Tariff Process

Exhibit A – Revised RRM Tariff

Resolution 2026-008

COUNCIL ACTION/STAFF RECOMMENDATION:

Staff recommends council approve Resolution 2026-008 adopting the revised Atmos West Texas Rate Review Mechanism (RRM) Tariff.