



## AGENDA ITEM COMMENTARY

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<b>MEETING NAME:</b>	City Council
<b>MEETING DATE:</b>	November 4, 2024
<b>ITEM TITLE:</b>	Consider and take appropriate action on resolution suspending the effective date of Atmos Energy's requested Rate Change
<b>STAFF INITIATOR:</b>	Rick Scott, ACM

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### **BACKGROUND:**

Atmos Energy Corp., West Texas Division filed an application on October 25, 2024, seeking to increase system-wide base rates by approximately \$66.1 million. If approved, this will increase the annual revenues received from the incorporated areas by approximately \$26.9 million (an increase of 32.27% excluding gas costs). According to Atmos West Texas, the impact of this approval on an average residential customer would be an increase of about \$16.66 per month (an increase of 10%).

The resolution suspends the December 19, 2024, effective date of the Company's rate change for the maximum period permitted by law to allow the City, working in conjunction with other Cities served by Atmos West Texas to intervene in the Railroad Commission Case No. 18879 to evaluate the filing.

The law provides that a rate request made by a gas utility cannot become effective until at least 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. If the City fails to take some action regarding the filing before the effective date, Atmos West Texas's rate request is deemed approved.

The purpose of the resolution is to extend the effective date of Atmos West Texas' proposed rate increase to give the City time to review the rate-filing package. The resolution suspends the December 19, 2024, effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with the other Cities Served by Atmos West Texas, to evaluate the filing.

The resolution also authorizes the City to participate in a coalition of Cities Served by Atmos West Texas in order to more efficiently represent the interests of the City and their citizens and authorizes the hiring of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates.

### **EXHIBITS:**

Resolution

### **COUNCIL ACTION/STAFF RECOMMENDATION:**

Staff recommends adoption of the resolution suspending the effective date of Atmos West Texas' proposed rate increase.