



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	March 3, 2025
ITEM TITLE:	Consider and take appropriate action on Resolution 2025-007 A RESOLUTION OF THE CITY OF WOLFFORTH, TEXAS FINDING THAT THE STATEMENT OF INTENT OF ATMOS ENERGY CORP., WEST TEXAS DIVISION TO CHANGE RATES FILING WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.
STAFF INITIATOR:	Rick Scott, ACM

BACKGROUND:

On October 25, 2024, Atmos Energy Corp., West Texas Division (Atmos or Company) filed a Statement of Intent to Increase Rates with cities retaining original jurisdiction in the West Texas Division. In the filing, the Company is 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 20.76% including 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%).

In late October, the Cities Served by Atmos West Texas (Cities) engaged the services of consultants to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, Cities' attorney recommends that all Cities members adopt the Resolution denying the rate change. Once the Resolution is adopted, Atmos will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with Atmos's filing for the environs and those cities that have relinquished their jurisdiction (i.e. Gas Utility Docket 18879) currently pending at the Commission.

EXHIBITS:

Resolution 2025-007

COUNCIL ACTION/STAFF RECOMMENDATION:

Staff recommends council approve Resolution 2025-007 denying the rate application and consolidation proposed by Atmos.