



Legislation Text

File #: 2018-5562, **Version:** 1

Consider a resolution suspending for 90 days the effective date of Atmos Energy's proposed rate increase.

On or about June 1, 2018, Atmos Energy Corporation ("Atmos") filed a Statement of Intent with members of the coalition of cities known as the Atmos Texas Municipalities ("ATM") comprised of about 50 cities, of which the City of Round Rock is a member, to increase rates by approximately \$4.5 million, which equates to an increase of about 8% in annual non-gas-cost revenue in the ATM cities. On a system-wide basis, Atmos' proposed increase would be the equivalent of about \$46.0 million; this equates to an increase in annual revenues of about 7.3%.

Atmos proposes an effective date of July 6, 2018 for its change in rates. The proposed resolution related to Atmos' application to increase rates, if adopted, suspends Atmos' proposed effective date for the statutory time period of 90 days, to October 4, 2018. Atmos' rate-filing package contains thousands of pages of data and suspending the proposed effective date will permit the special regulatory counsel and experts on behalf of the ATM an opportunity to perform a better review of Atmos' application.

The City must act to suspend the effective date by July 6, 2018. If no action is taken by that time, Atmos' proposed rates are deemed approved by operation of law.

In May 2018 the City, along with the other ATM municipalities, choose not to renew the annual RRM (rate review mechanism) process with Atmos. Atmos must now pursue a rate case or make annual GRIP (gas reliability infrastructure program) filings with the Railroad Commission of Texas.