

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: November 1, 2018

Item Number: **026**

Item(s) to Set Public Hearing(s)

Set a public hearing regarding Texas Gas Service's revised Conservation Adjustment Clause Tariff and its proposal to change customer gas rates. (Suggested date and time: November 15, 2018 at 4:00 p.m. at City Hall, 301 W. Second Street, Austin, TX).

Lead Department	Telecommunications and Regulatory Affairs.
Fiscal Note	This item has no fiscal impact.
Prior Council Action	Council approved ORDINANCE NO. 20161103-077 November 3, 2016 setting TGS rates.
For More Information	Rondella M. Hawkins, TARA Officer; (512) 974-2422.
Council Committee, Boards and Commission Action	Resource Management Commission unanimously recommended that Council approve the revised Conservation Adjustment Clause Tariff at its August 2018 meeting and also recommended that Council approve the proposed Energy Efficiency budget for 2019-2021 at its October 2018 meeting.

Additional Backup Information:

On October 1, 2018, Texas Gas Service Company, a division of ONE Gas, Inc., (TGS), filed a revised

Conservation Adjustment Clause Tariff (Rate Schedule CAC) and related tariffs that are in effect within the incorporate areas of Austin and in the other cities it serves in the Central Texas service area (CTXSA). Other cities include Bee Caves, Cedar Park, Cuero, Dripping Springs, Gonzales, Kyle, Lakeway, Lockhart, Luling, Nixon, Rollingwood, Shiner, Sunset Valley, West Lake Hills, and Yokum, Texas. This is a revision to the TGS tariffs related to the company's Conservation and Energy Efficiency Program that the City approved in November 2016. Under the proposed changes, the Program will be funded by a fixed residential customer rate component and volumetric rates for commercial and commercial transportation customers. The tariff will require TGS to update these rate components every three years rather than annually as had been previously required.

On October 15, TGS filed its Calendar Year 2019 budget with the City for the TGS Energy Efficiency Program, and TGS also provided a budget for Calendar Years 2019-2021 as specified in the proposed revised Conservation Adjustment Clause Tariff (Rate Schedule CAC). This will change the rates as follows:

Monthly Residential rates will decrease from \$1.54 to \$1.19 (-16.2%).

Monthly Commercial rates will remain unchanged at \$0.0052 per one-hundred cubic feet (Ccf).

Monthly Commercial Transportation rates will be newly introduced in 2019 at \$0.0052 per Ccf.

Article XI of the City Charter requires that City Council conduct a public hearing before taking action on the proposed rates. Staff recommends Council approve setting a public hearing to consider these changes, with a suggested date and time of November 15, 2018, at 4:00 p.m. at City Hall.