



Recommendation for Action

File #: 20-1610, **Agenda Item #:** 23.

4/9/2020

Posting Language

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim rate adjustment proposed by Atmos Energy - Mid-Tex Division.

Lead Department

Telecommunications and Regulatory Affairs (TARA)

Fiscal Note

This item has no fiscal impact

For More Information:

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Additional Backup Information:

On February 28, 2020, Atmos Energy Corporation's Mid-Tex Division (Atmos) filed a proposed interim rate adjustment under the Gas Reliability Infrastructure Program (GRIP) with the City of Austin and the other cities that Atmos serves in the Atmos Texas Municipalities Coalition. The proposal would allow Atmos to recover the incremental costs of the new investment it has made in its Mid-Tex Division between January 1, 2019 and December 31, 2019. Atmos is seeking an interim rate increase of \$11,147,807 from customers in its Mid-Tex Division. Atmos proposed an effective date of April 28, 2020.

This filing was made under Texas Utilities Code, Section 104.301 that allows a gas utility to annually recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings. GRIP rates must be based on reasonable increases in invested capital costs. Operation and maintenance costs are not recovered through GRIP.

Based on company-provided information, the proposed assessment will increase the average monthly bill for typical Residential and Commercial customer bills as follows:

Rate Schedules Ave./Mo.	Current Customer Charge/Mo.	2020 Interim GRIP Monthly Increase	Adjusted Customer Charge/Mo.	% Increase in Customer Charge/Mo.	% Increase in Ave. Monthly Bill
Residential	\$21.74	\$4.71	\$26.45	21.67%	11.16%
Commercial	\$52.26	\$14.54	\$66.80	27.82%	8.23%
Industrial	\$939.80	\$261.93	\$1201.73	27.87%	2.53%

The City has original jurisdiction over natural gas utilities serving Austin residents. As the local regulatory authority, the City Council has authority to suspend implementation of the interim rate adjustment for a period not to exceed 45 days beyond the effective date to review and consider the GRIP filing and supporting documentation filed by Atmos. Staff recommends Council approval of this ordinance that suspends the

effective date.

Economic Opportunity and Affordability.