



Recommendation for Action

File #: 22-1624, **Agenda Item #:** 7.

4/21/2022

Posting Language

Approve an ordinance to suspend a Gas Reliability Infrastructure Program interim customer surcharge proposed by Atmos Energy Corporation.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On February 25, 2022, Atmos Energy Corporation made an Interim Rate Adjustment of Gas Reliability Infrastructure Program ("GRIP") filing in Austin and in the other cities it serves in its Mid-Texas Division and with the Railroad Commission of Texas for customers located in the environs.

This filing was made under Texas Utilities Code, Section 104.301 which allows a gas utility on an annual basis to 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 cannot be recovered through GRIP.

Atmos Energy is seeking recovery of \$884,500,096 in invested capital for the period of January 1, 2021, through December 31, 2021, which translates into an increase of \$128,361,532 on a system-wide basis.

The current filing will increase rates to residential customers by \$5.15 per month, with an increase to the current fixed residential charge from \$30.99 to \$36.14 per month, excluding taxes.

The filing will increase rates to commercial customers by \$16.47 per month, with an increase to the fixed monthly charge for commercial customers from \$81.27 to \$97.74, excluding taxes.

These increases have an effective date of April 26, 2022, unless the local regulatory authority suspends the effective date by 45 days as allowed by Section 104.301 of the Texas Utilities Code.

As the local regulatory authority for natural gas rates charged to customers in Austin, the City Council has the authority to suspend implementation of the proposed rate increase for up to 45 days to allow additional time to review the filing to ensure it complies with the requirements of the GRIP statute; however, cities may not challenge Atmos' request. Staff recommends approval of this ordinance suspending the effective date by 45 days.

Strategic Outcome(s):

Government that Works for All.

