



# City of Pflugerville

## Legislation Text

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**File #:** RES-1093, **Version:** 1

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Approving a resolution regarding the application of Atmos Energy Corporation - Midtex Division, to increase rates under the gas reliability infrastructure program; suspending the effective date of this rate application for forty-five days; authorizing the city to continue to participate in a coalition of cities known as the "Atmos Texas Municipalities;" determining that the meeting at which the resolution was adopted complied with the Texas Open Meetings Act; making other such findings and provisions related to the subject; and declaring an effective date.

The City is a member of the coalition of cities known as the Atmos Texas Municipalities (ATM). ATM was organized by a number of municipalities served by Atmos Energy Corporation's Mid-Tex Division (Atmos Energy-MidTex) and has been represented by the law firm of Herrera Law & Associates, PLLC (through Mr. Alfred R. Herrera) to assist in reviewing applications to change rates submitted by Atmos Energy-MidTex. An agenda information sheet has been provided by Herrera Law which is also attached.

Under section 104.301 of the Gas Utility Regulatory Act (GURA), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between rate cases. This section of GURA is commonly referred to as the "GRIP" statute (the "Gas Reliability Infrastructure Program").

Under a decision by the Supreme Court of Texas, the Court concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover a return on capital expenditures made during the interim period between rate cases by applying for interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities' filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility's filings to ensure compliance with the GRIP statute and the Railroad Commission's rules, and that it is within the Railroad Commission's authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission.

On or about February 24, 2023, Atmos-MidTex filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program ("GRIP").

### **Prior City Council Action**

April 13, 2021, Council adopted Resolution No. 1863-21-04-13-0853 regarding the application of Atmos Energy to increase rates under the Gas Reliability Infrastructure Program; suspending the effective date of the rate application for forty-five days; authorizing the City to continue to participate in a coalition of cities known as the "Atmos Texas Municipalities."

April 12, 2022 Council adopted Resolution No. 1961-22-04-12-0982 regarding the application of Atmos Energy to increase rates under the Gas Reliability Infrastructure Program; suspending the effective date of the rate application for forty-five days; authorizing the City to continue to participate in a coalition of cities known as the "Atmos Texas Municipalities."

**Deadline for City Council Action**

April 25, 2023

**Funding Expected:** Revenue \_\_\_ Expenditure \_\_\_ N/A \_\_\_

**Budgeted Item:** Yes \_\_\_ No \_\_\_ N/A \_\_\_

**Amount:** \_\_\_\_\_

**1295 Form Required?** Yes \_\_\_ No \_\_\_

**Legal Review Required:** N/A \_\_\_ Required \_\_\_ Date Completed: \_\_\_\_\_

**Supporting documents attached:**

Atmos Agenda Information Sheet

Atmos-MidTex Resolution

**Recommended Action**

Approve the resolution suspending for 45 days the effective date proposed by Atmos Energy-Mid-Texas Division.