



# City of Pflugerville

## Legislation Text

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**File #:** RES-0982, **Version:** 1

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Approving a resolution by the City of Pflugerville, Texas, 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 Atmos Texas Municipalities ("ATM"). The ATM group was organized by a number of municipalities served by Atmos Energy Corporation - MidTex Division ("Atmos Energy") and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by Atmos Energy.

An agenda information sheet has been provided by Herrera Law which is also attached. The summary provides that 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 general rate cases. This section of GURA is commonly referred to as the Gas Reliability Infrastructure Program ("GRIP") statute.

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 return on capital expenditures made during the interim period between general rate cases by applying for an 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 25, 2022, Atmos Energy filed for an increase in gas utility rates under the GRIP statute. Atmos Energy's application if approved by the commission will result in an increase in the monthly customer charges as shown below:

Atmos Energy's application, if approved by the Railroad Commission, will result in a system wide increase in Atmos Energy's revenue of about \$128.36 million, of which ATM's portion is about \$12.81 million. Atmos Energy's proposed an effective date of April 26, 2022.

### **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."

**Deadline for City Council Action**

April 26, 2022

**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: 04/05/2022

**Supporting documents attached:**

Resolution

Agenda Information Sheet

**Recommended Action**

Approve the resolution suspending Atmos Energy's proposed effective date for 45 days, assuming a proposed effective date of April 26, 2022 Atmos Energy's proposed effective date is suspending until June 10, 2022.