



# City of Pflugerville

## Legislation Text

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**File #:** RES-0385, **Version:** 1

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Approving a resolution with the caption reading: RESOLUTION BY THE CITY OF PFLUGERVILLE; AUTHORIZING PARTICIPATION IN A COALITION OF SIMILARLY SITUATED CITIES IN CONNECTION WITH THE STATEMENT OF INTENT TO CHANGE RATE CGS (City Gate Service) AND RATE PT (Pipeline Transportation) OF ATMOS PIPELINE-TEXAS FILED ON OR ABOUT JANUARY 6, 2017; AUTHORIZING PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

For a number of years, the City of Pflugerville has participated in the coalition of approximately 57 cities known as the Atmos Texas Municipalities (ATM) whose purpose is to investigate gas utilities' proposed rate increases and challenge them where appropriate with the use of rate analysis. The ATM group has been represented by the law firm of Herrera & Boyle, PLLC through Mr. Alfred R. Herrera. Herrera & Boyle, PLLC has participated in prior rate cases involving Atmos and has extensive knowledge and experience in rate matters affecting Atmos' rates, operations, and services.

On or about January 6, 2017, Atmos Pipeline Texas ("APT" or "Atmos") submitted a Statement of Intent with the Railroad Commission of Texas to raise "Rate CGS" ("city gate service") and Rate PT ("pipeline transportation"). This request represents an increase in revenue of approximately \$72.9 million or a 17.38% increase over current revenues.

Attached to this agenda item is a resolution and agenda information sheet related to the application to increase rates filed by Atmos Pipeline Texas (APT) with the Railroad Commission of Texas. The resolution authorizes intervention in GUD 10580 at the Railroad Commission and engagement of Herrera & Boyle to represent our interests in those proceedings. The City Council will receive further information as the rate change process goes forward.

### **Deadline for City Council Action**

Action is requested on February 14, 2017.

### **Fiscal Impact**

The rates that the City's citizens and businesses, and the City as a consumer of gas-utility services, will be affected by APT's proposed rate increase. This proposed request represents an approximate 20% increase to Atmos retail customers.

Cities, by statute, are entitled to reimbursement of our reasonable rate case expenses from Atmos. Expenses for participation in the past as an ATM city in rate cases has not resulted in any cost to the City of Pflugerville.

**Recommendation**

It is recommended that the City approve the attached resolution to authorize intervening in APT's pending rate proceeding at the Railroad Commission as part of the coalition of similarly-situated municipalities known as the Atmos Texas Municipalities (ATM); that the City retain the law firm of Herrera & Boyle, PLLC to represent the City's interest in matters related to APT's rate proceeding at the Railroad Commission, including any appeals, and to advise the City with regard to APT's application; and that the City take action authorizing intervention at its earliest opportunity in order to maximize the benefits of participation as a party in the proceedings at the Railroad Commission.

**Drafter**

Lauri Gillam  
Assistant City Manager