



City of Pflugerville

Legislation Text

File #: RES-0521, **Version:** 1

Approving a resolution with the caption reading: RESOLUTION BY THE CITY OF PFLUGERVILLE, TEXAS ("CITY") SUSPENDING THE EFFECTIVE DATE FOR NINETY DAYS IN CONNECTION WITH THE RATE INCREASE FILING MADE ON OR ABOUT JUNE 1, 2018 BY ATMOS ENERGY FOR ITS MIDTEX DIVISION; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

The City of Pflugerville has participated in prior rate cases as a member of the Atmos Texas Municipalities (ATM) coalition. This coalition consists of around 50 Texas cities who are able to address their concerns with Atmos rate proposals as a group. Herrera Law & Associates, PLLC has provided representation for the ATM. At this time, the firm has contacted the City of Pflugerville with a recommendation to continue to participate in the coalition and to suspend the proposed Atmos Energy increase for 90 days to allow the coalition time to review the rate application. The attached agenda information sheet and resolution have been provided to the ATM for the cities' consideration by the firm.

During the last fiscal year, Council approved a \$48 million system wide rate increase for Atmos. This amount was reduced from \$57 million, Atmos' initial proposal, and represented the low end of a probable range of settlements that would have been approved by the Railroad Commission. This year Atmos is requesting a system wide rate increase of \$46 million with an effective date of July 6, 2018. This resolution allows a 90 day period for review of the Atmos documentation supporting this request. As you can see from the attached information, the average increase for a residential customer in ATM cities would be \$1.90 per month.

Earlier this year ATM worked with Atmos and Atmos Pipeline to pass through savings of approximately 10% to customer bills as a result of the reduction in the federal tax rate from 35% to 21%.

Sometime this fall, the Council will be asked review a change in rates that would be effective October 4, 2018.

Deadline for City Council Action

The City must take action no later than July 6, 2018. If no action is taken, the rates are deemed approved by operation of law. If adopted, the resolution suspends Atmos's proposed effective date for the statutory time period of 90 days to October 4, 2018.

Fiscal Impact

There is no direct cost to the City for participating in the coalition as reasonable rate case expenses will be recovered from Atmos.

Staff Recommendation

Approve the resolution.

Drafter

Lauri Gillam

Assistant City Manager