



NEGOTIATED SETTLEMENT ON ATMOS RRM FILING

RS-23-135

September 5, 2023

Background

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- ❑ Cities exercise original jurisdiction over the level of gas rates charged within their boundaries
- ❑ Killeen is a member of the Atmos Cities Steering Committee (ACSC) along with 181 other cities served by Atmos Mid-Tex
- ❑ Since 2007, Atmos and ACSC have worked under an alternate rate review process referred to as the Rate Review Mechanism (RRM), as opposed to the statutory Gas Reliability Infrastructure Program

Atmos RRM Filing

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- ❑ Atmos filed a rate request on March 31, 2023 claiming it is entitled to additional system-wide revenues of \$165.9 million (based on test year ending December 31, 2022)
- ❑ ACSC consultants analyzed the filing and determined that the system-wide deficiency under the RRM should be \$130.9 million instead

Negotiated Settlement

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- The ACSC Executive Committee and Atmos negotiated a settlement
 - ▣ Atmos request reduced from \$165.9 million to \$142 million
 - ▣ The average residential increase is \$6.47 per month or 7.31%
 - ▣ The average commercial usage increase is \$24.72 per month or 5.19%

Alternatives

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- The alternatives are to:
 - ▣ Disapprove the negotiated settlement
 - ▣ Approve the negotiated settlement

Recommendation

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- Staff and the Executive Committee of the ACSC recommend approving the negotiated settlement between ASCS and Atmos Energy, Mid-Tex Division regarding the 2023 RRM filing.