

# NEGOTIATED SETTLEMENT ON ATMOS RRM FILING

## Background

- 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

- Atmos filed a rate request on April 1, 2025 claiming it is entitled to additional system-wide revenues of \$245.2 million (based on test year ending December 31, 2024)
- ACSC consultants analyzed the filing and determined that the system-wide deficiency under the RRM should be \$185.6 million

#### Negotiated Settlement

- The ACSC Executive Committee and Atmos negotiated a settlement
  - Atmos request reduced from \$245.2 million to \$205.6 million
  - The average residential increase is \$7.83 per month or 9.27%
  - The average commercial usage increase is \$25.73 per month or 6.56%

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

#### Recommendation

□ 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.