



# NEGOTIATED SETTLEMENT ON ATMOS RRM FILING

RS-22-128

September 6, 2022

# 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 April 1, 2022 claiming it is entitled to additional system-wide revenues of \$141.3 million (based on test year ending December 31, 2021)
- ACSC consultants analyzed the filing and determined that the system-wide deficiency under the RRM should be \$95.8 million instead of the claimed \$141.3 million

# Negotiated Settlement

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- The ACSC Executive Committee and Atmos negotiated a settlement
  - Atmos request reduced from \$141.3 million to \$115 million, \$83.26 million of which is applicable to the ACSC members
  - The average residential increase is \$4.60 per month or 6.7%
  - The average commercial usage increase is \$14.34 per month or 4.3%

# 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 2022 RRM filing.