



NEGOTIATED SETTLEMENT ON ATMOS RRM FILING

RS-21-118

August 17, 2021

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 171 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, 2021 claiming it is entitled to additional system-wide revenues of \$43.4 million for the year ending December 3, 2020
- ❑ Applying the agreed RRM tariffs, the Atmos request reduces to \$40.5 million, \$29.3 million of which applicable to the ACSC members
- ❑ ACSC consultants analyzed the filing and determined the request should be reduced to \$22.34 million, \$16.8 million applicable to ACSC cities

Negotiated Settlement

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- The ACSC Executive Committee and Atmos negotiated a settlement
 - ▣ Atmos would receive an increase of \$22.78 million from ACSC cities
 - ▣ The effective date is delayed until December 1, 2021, saving cities \$3.8 million
 - ▣ The average residential increase is \$1.28 per month or 2.2%
 - ▣ The average commercial usage increase is \$4.03 per month or 1.61%

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 2021 RRM filing.