

Legislation Text

File #: 18-0322, Version: 1

Consideration of a Resolution of the City Council of the City of Lewisville, Texas, Approving a Negotiated Settlement Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division Regarding the Company's 2018 Rate Review Mechanism Filings; Declaring Existing Rates to be Unreasonable; Adopting Tariffs That Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Attached Settlement Tariffs to be Just and Reasonable and in the Public Interest; Approving an Attached Exhibit Establishing a Benchmark for Pensions and Retiree Medical Benefits; Approving an Attached Exhibit Regarding Amortization of Regulatory Liability; and Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses.

ADMINISTRATIVE COMMENTS:

The City, along with 171 other mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). On or about April 1, 2018, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of \$42.0 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$27.4 million. After review of the consultants' report, the Company offered to settle for a system-wide increase of \$25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of \$24.9 million. That increase when allocated to ACSC members results in an increase of \$17.8 million. The effective date for new rates is October 1, 2018. ACSC members should take action approving the resolution before the end of September.

RECOMMENDATION:

That the City Council consider the resolution as set forth in the caption above.