

Consider an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division regarding the company’s 2019 Rate Review Mechanism filing; 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; requiring the Company to reimburse ACSC’s reasonable ratemaking expenses; determining that this Ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the Company and the ACSC’s legal counsel.

## 2019 Atmos RRM

- The City of Keller is a member of the Atmos Cities Steering Committee, a coalition of municipalities that undertakes activities on behalf of member cities and their citizens such as participation in rate cases, rulemakings and legislative efforts that impact natural gas rates

## 2019 Atmos RRM

- In early April 2019, Atmos filed a rate request in line with the Rate Review Mechanism adopted previously by ACSC members
- The original request was for an additional \$70 million to cover system-wide capital costs
- Through use of the RRM process and negotiation, ACSC was able to reach a settlement with Atmos for \$35.4 million

## 2019 Atmos RRM

- Reasonable rate case expenses are reimbursed to the Steering Committee by the Company. No individual municipality incurs liability for payment of rate case expenses by adopting the proposed RRM Ordinance.

The impact of the settlement on average residential rates is an increase of \$2.05 on a monthly basis, or 3.7 percent. The increase for average commercial usage will be \$6.18 or 2.31 percent.



**Questions?**  
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