

Memorandum



CITY OF DALLAS

DATE October 13, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Atmos Pipeline Texas Rate Case**

On May 19, 2023, Atmos Pipeline Texas (APT) filed a **STATEMENT OF INTENT TO CHANGE THE RATE CGS AND RATE PT RATES OF ATMOS PIPELINE-TEXAS** with the Railroad Commission of Texas. The City of Dallas does not have jurisdiction over the rates of Atmos Pipeline Texas; however, the City intervened in the case to protect the interest of the City and its residents. Rate CGS (City Gate Service) is the rate APT charges Atmos Mid-Tex to deliver gas to the City and is passed on to Dallas residents as part of the Gas Cost Adjustment (GCA) charge on their bills. Rate PT is the rate industrial customers pay who receive their gas service directly from APT.

In the filing APT requested an annual increase in rates of \$119,390,511 system wide. The city retained experts to review the filing and file testimony on the City's behalf. The hearing on the merits of the case was scheduled to begin on October 10, 2023; however, prior to the trial, the parties to the case including the City were able to reach a settlement agreement in principle with APT. The parties filed a joint motion to abate the hearing and procedural schedule and are working on finalizing rates to comply with the settlement agreement. The settlement will reduce the rates as requested by APT by \$106.4 million. We do not have the actual rate to determine the impact on the "average" customer at this time. The City's outside consultants and legal counsel have determined that the settlement is in the customers' best interests. No action is required by City Council and this memo is for information only.

If you have any questions, please contact Nick Fehrenbach, Manager of Regulatory Affairs in Budget & Management Services.

A handwritten signature in black ink that reads "Jack Ireland".

Jack Ireland
Chief Financial Officer

c: T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors