

Memorandum



CITY OF DALLAS

DATE April 17, 2026

TO Honorable Mayor and Members of the City Council

SUBJECT **Status Update on Atmos Dallas Annual Rate Review Filing for 2026**

On January 15, Atmos Energy Corporation, Mid-Tex Division (Atmos) filed a request with the City to increase rates. This filing was made under the Dallas Annual Rate Review (DARR) Tariff and is the company's eighth filing under the current DARR mechanism. Atmos is requesting an increase in annual revenues of \$38,138,856 from within the city. This represents a monthly increase of 10.51% or \$11.25 per month (\$135.00 per year) for the average residential customer. Atmos has requested a June 1, 2026, effective date for the new rates.

Staff is currently reviewing the filing with the City's gas rate consultant and outside legal counsel. The consultant has identified several areas of concern and is in the process of quantifying the impact on the rate request. Staff will share the consultant's findings with Atmos and seek to negotiate a settlement. Staff will brief their findings and any proposed settlements to the Committee on Finance on May 26, 2026, with recommendations for Council action on May 27, 2026. The statutory deadline to take action on this matter is May 30, 2026. Due to the complexity of the filing and the sheer number of capital projects placed in service by Atmos last year, it was not possible to complete the analysis and present findings at the April 21 meeting of the Finance Committee.

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

Service First, Now!

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

Jack Ireland
Chief Financial Officer

c: Kimberly Bizzor Tolbert, City Manager
Tammy Palomino, City Attorney
Mamatha Sparks, City Auditor (I)
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors