



Legislation Details (With Text)

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Title: An ordinance amending City of Dallas Ordinance No. 30777, previously approved on February 14, 2018, to set gas rates including Rider DARR-Dallas Annual Rate Review, to allow implementation of a deferral of timelines in an instance where a state of emergency has been declared - Financing: No cost consideration to the City

Sponsors:

Indexes: 300

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Attachments: 1. Ordinance

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: May 13, 2020

COUNCIL DISTRICT(S): N/A

DEPARTMENT: Office of Budget

EXECUTIVE: Elizabeth Reich

SUBJECT

An ordinance amending City of Dallas Ordinance No. 30777, previously approved on February 14, 2018, to set gas rates including Rider DARR-Dallas Annual Rate Review, to allow implementation of a deferral of timelines in an instance where a state of emergency has been declared - Financing: No cost consideration to the City

BACKGROUND

Atmos Energy Corp., Mid-Tex Division (Atmos) provides natural gas utility service in Dallas in accordance with City franchise Ordinance No. 27793 and Title 3, Subtitle A Texas Utilities Code, Gas Utility Regulatory Act (GURA). On February 14, 2018, the City of Dallas approved Atmos' tariff Dallas Annual Rate Review (DARR), which provides a mechanism by which Atmos shall file for an annual review of its rates. On January 15, 2020, Atmos filed its rate increase request under the DARR tariff. In its filing, Atmos requested an increase in annual revenue of \$18.3 million from within the City of Dallas. Atmos requested that the new rates become effective June 1, 2020.

Subsequent to Atmos' January 15, 2020 rate filing, a state of emergency was declared by the President of the United States as of March 13, 2020, a state of disaster by the Governor of the State of Texas as of March 13, 2020, by Dallas County Texas as of March 12, 2020, and by the City of Dallas as of March 13, 2020, all due to the Novel Coronavirus Disease 2019 (COVID-19) outbreak and pandemic and such state of emergency has continued.

Atmos announced in a press release on March 27, 2020, due to the COVID-19 pandemic that it was committed to "helping our communities" and that it had decided to defer implementation of its current compliance filings in Texas that impact customer rate until at least September 1, 2020. The DARR filing is one of the compliance filings which Atmos seeks to defer implementation. A deferral of the implementation will permit the City additional time to review the filing and delay any negative impact on rate payers within the City of Dallas.

An amendment to the Rider DARR-Dallas Annual Rate Review is necessary in order to allow implementation of the deferral and is in the best interest of the City of Dallas and its residents. Approval of this amendment will defer City Council action and require City Council to take action no later than August 29, 2020. Without the amendment, City Council action to approve or deny the requested rate increase must be considered by May 29, 2020.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

No cost consideration to the City.