



City of Saginaw

City of Saginaw

Meeting Date: 4/03/2018

Staff Contact: Dolph Johnson
Asst. City Manager

Agenda Item: 4d
(CC-0418-04)

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SUBJECT: Action regarding Resolution No. 2018-07, authorizing continued participation with the Atmos Cities Steering Committee

BACKGROUND/DISCUSSION

Purpose of the Resolution:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee (“ACSC”) is composed of municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 174 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

- I. This paragraph authorizes the continuation of the City's membership in ACSC.
- II. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of two cents (\$0.02) per capita.
- III. This paragraph requires notification that the City has adopted the Resolution.

FINANCIAL IMPACT:

The financial impact will be \$426.40. Funds for this expenditure are budgeted in the General Administrative Office Budget, Legal and Special Services and Audit Account, 01-6650-02.

RECOMMENDATION:

Staff recommends approval of Resolution No. 2018-07, authorizing continued participation with the Atmos Cities Steering Committee.

Attachments

Proposed Resolution

CITY OF SAGINAW
RESOLUTION NO. 2018-07

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF TWO CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Saginaw is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:

I.

That the City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City of Saginaw and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

The City is further authorized to pay its 2018 assessment to the ACSC in the amount of two cents (\$0.02) per capita.

III.

A copy of this Resolution and approved assessment fee payable to “*Atmos Cities Steering Committee*” shall be sent to:

David Barber
Atmos Cities Steering Committee
c/o Arlington City Attorney’s Office, Mail Stop 63-0300
101 S. Mesquite St., Suite 300
Arlington, Texas 76010

PRESENTED AND PASSED on this the _____ day of _____, 2018, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Saginaw, Texas.

ATTEST:

Todd Flippo, Mayor

Janice England, City Secretary

APPROVED AS TO FORM:

BY _____
Bryn Meredith, City Attorney