



City of Austin

Recommendation for Action

File #: 26-1306, **Agenda Item #:** 3.

4/9/2026

Posting Language

Approve an ordinance to suspend a Gas Reliability Infrastructure Program interim rate adjustment proposed by Atmos Energy Corporation, Mid-Tex Division. Funding: This item has no fiscal impact.

Lead Department

Austin Financial Services

Fiscal Note

This item has no fiscal impact.

For More Information:

Marija Norton, Controller, 512-974-2951; Kim Euresti, Deputy Controller, 512-974-2232.

Additional Backup Information:

On February 20, 2026, Atmos Energy Corporation made a Gas Reliability Infrastructure Program (GRIP) filing in the City of Austin and in the other cities it serves in its Mid-Tex Division. The company also filed with the Railroad Commission of Texas for customers located in unincorporated areas, referred to as environs.

This filing was made under Texas Utilities Code, Section 104.301, which establishes the GRIP and allows a gas utility, on an annual basis, to recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings. The last full rate case was in 2024. GRIP rates must be based on reasonable increases in invested capital costs. Operation and maintenance costs cannot be recovered through a GRIP.

Atmos Energy is seeking recovery of \$2,103,180,655 in net utility plant investment for the entire Mid-Tex Division for the period of October 1, 2024, through December 31, 2025. The Interim Rate Adjustment necessary to recover this incremental investment is \$286,894,319 on a system-wide basis.

The current filing will increase rates for residential customers by \$10.59 per month, with an increase to the current fixed residential charge of \$25.03 to \$35.62 per month, excluding taxes. The filing will increase rates for commercial customers by \$38.65 per month, with an increase to the fixed monthly charge for commercial customers from \$140.01 to \$178.66, excluding taxes. There are approximately 10,622 residential meters and 309 commercial meters within the Austin City limits. These increases have an effective date for meters read beginning on April 21, 2026, unless suspended by 45 days as allowed by Section 104.301 of the Texas Utilities Code.

As the local regulatory authority for natural gas rates charged to customers in Austin, Council has the authority to suspend implementation of the proposed rate increase for up to 45 days to allow additional time for staff to exercise the City's limited ministerial authority to review the filing to ensure it complies with the requirements of the GRIP statute that allows recovery of the prior year's invested capital. Staff recommend approval of this ordinance, suspending the effective date by 45 days. No further Council action will be needed.