



Atmos Rate Settlement

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Background

Steering Committee

- Denton is a member of the Atmos Cities Steering Committee (ACSC)
- ACSC is a 181-member coalition of cities
- Represents over 1,000,000 customers
- Atmos has approximately 25,000 accounts in the City of Denton

Rate Review Mechanism (RRM)

- Allows ACSC cities to review and validate costs, recover expenses, and avoid litigation over rates.
- The RRM process has generated significant cost savings for ACSC cities.

Atmos 2026 RRM Filing

RRM Filing Process & Savings

- \$291.1M – Atmos Original Request (system-wide)
- \$273.6M – RRM Reduction (system-wide)
- \$253.4M – ACSC recommended RRM amount
- \$260.5M – Final settlement amount
- \$30.6M – Settlement savings

2026 Negotiated Settlement

- Rates effective October 1, 2026
- Average Customer Impact:
 - Residential: \$13.37 14.15% increase per month
 - Commercial: \$44.82 9.90% increase per month

Next Steps

Ordinance

- If approved, the new rates would take effect October 1, 2026.
- If denied, Atmos can appeal to the Texas Railroad Commission (RRC).
 - The expense of contesting the rate increase in the RRC proceedings would be paid by the City.
 - The RRC will issue a final decision that applies across the utility's service area, including the City.
 - The likelihood of prevailing in the RRC proceedings is low, and the City would likely end up paying the requested rates.

QUESTIONS?

