

Atmos & Oncor Coalitions

CITY COUNCIL MEETING - OCTOBER 24, 2017

Objective

- Present background of how cities within the State of Texas address rating filings by Atmos Energy and Oncor Electric Delivery.
- Present options for membership in city coalitions, including staff's recommendation.
- Receive direction from City Council on which coalition to join.

Background

- Most cities within the State of Texas have opted to join a coalition of cities to address rate filing by Atmos and Oncor.
 - A few cities have opted to cede their original jurisdiction and allow the state regulatory agency (Public Utility Commission or Railroad Commission) to set their rates.
 - Unincorporated area automatically fall within the jurisdiction of the respective state regulatory agency.
 - City of Dallas is the only city that independently negotiates their rates with Atmos.
- Within the city of Denton, Atmos serves approximately 20,784 meters (18,606 residential and 2,178 commercial) and Oncor serves approximately 1,252 meters (1,071 residential, 170 commercial and 11 street lights).

Atmos Coalitions

Atmos Texas Municipalities (“ATM”):

- 56 member cities, primarily in central Texas.
- Approximately 202,737 meters represented.
- Participation in coalition is authorized in conjunction with each rate filing.
- No annual membership fee. Non-reimbursable expenses would be billed to members on a per capita basis, if needed. Last 3 years City has paid approximately \$1,300 per year.
- Represented by Herrera & Boyle, PLLC.

Atmos Cities Steering Committee (“ACSC”):

- 171 member cities, primarily in north Texas.
- Approximately 1,053,840 meters represented.
- Participation in coalition through one-time membership resolution.
- Annual membership assessment which pays for non-reimbursable expenses for other regulatory matters. For 2017, assessment is \$0.02 per capita or approximately \$2,600.
- Represented by Lloyd, Gosselink, Rochelle & Townsend, P.C.

Oncor Coalitions

Alliance of Oncor Cities (“AOC”):

- 25 member cities, primarily in central Texas.
- Meter counts unavailable.
- Participation in coalition is authorized in conjunction with each rate filing.
- No annual membership fee. Non-reimbursable expenses would be billed to members on a per capita basis, if needed. Last 3 year City has paid approximately \$1,250 per year.
- Represented by Herrera & Boyle, PLLC.

Oncor Cities Steering Committee (“OCSC”):

- 156 member cities, primarily in north Texas.
- Meter counts unavailable.
- Participation in coalition through one-time membership resolution.
- Annual membership assessment which pays for non-reimbursable expenses for other regulatory matters. For 2017, assessment is \$0.11 per capita or approximately \$14,700.
- Represented by Lloyd, Gosselink, Rochelle & Townsend, P.C.

Staff Recommendation

■ Atmos Rate Filings and Other Regulatory Matters –

- Staff recommends that the City of Denton join the Atmos Cities Steering Committee “(ACSC) coalition due to the number of cities and meters represented, and the north Texas focus of this coalition. Annual membership cost of this coalition is minimal compared to what we have previously paid to ATM coalition.

■ Oncor Rate Filings and Other Regulatory Matters –

- Staff recommends that the City of Denton remain in the Alliance of Oncor Cities (“AOC”) coalition due to the small number of meters served within the city of Denton, and the cost of participating in the OCSC coalition which is based on population rather than meters.

Questions?
