Memorandum



DATE September 1, 2017

Honorable Members of the Government Performance and Financial Management Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Tennell Atkins, Kevin Felder, Sandy Greyson, Phillip T. Kingston, Lee M. Kleinman

SUBJECT Atmos Statement of Intent to Increase Rates

On August 18, 2017, Atmos Energy Corporation (Atmos) filed a Notice of Intent to increase residential, commercial, industrial, and transportation rates for natural gas service within the City of Dallas. This rate case was filed in response to the City's June 14, 2017 order for Atmos to show good cause why its rates should not be reduced (Resolution #17-0933). Atmos is requesting an increase in annual revenue of \$16.2 million for the City of Dallas.

Under Section 5.08 of the Texas Gas Utilities Regulatory Act, these rates automatically go into effect on the effective date, unless the City Council extends the decision deadline for an additional 90 days by official action. An item has been placed on the September 13, 2017 agenda to consider a resolution to suspend the effective date from September 22, 2017 until December 21, 2017. The additional time is required to conduct an adequate investigation of the request and determine if the proposed new rates are fair and reasonable.

Please contact me if you have further questions.

M. Elizabeth Reich Chief Financial Officer

Honorable Mayor and City Council
 T.C. Broadnax, City Manager
 Larry Casto, City Attorney
 Craig D. Kinton, City Auditor
 Bilierae Johnson, City Secretary (Interim)
 Daniel F. Solis, Administrative Judge
 Kimberly Bizor Tolbert, Chief of Staff to the City Manager
 Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors