

## **ORDINANCE NO.**

### **AN ORDINANCE APPROVING REVISED GAS TARIFFS OF ATMOS ENERGY CORPORATION, MID-TEX DIVISION.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

#### **PART 1. FINDINGS.**

The Council finds:

- (A) Under the Gas Utility Regulatory Act, Chapters 101 through 105 of the Texas Utilities Code, the City has exclusive original regulatory jurisdiction over the rates charged, operations, and services provided by Atmos Energy Corporation- Mid-Tex Division (Atmos) within the City.
- (B) The City participates as a member of a coalition of municipalities known as the Atmos Texas Municipalities (ATM) all having original regulatory jurisdictional authority over Atmos rates charged, operations, and services provided to residents of those municipalities.
- (C) The Atmos rate filing, or Rate Review Mechanism (RRM), that it filed with the ATM municipalities in 2014 requesting a system-wide increase of \$45.6 million was, as recommended by ATM's rate experts and counsel, denied by the ATM municipalities and subsequently appealed the Texas Railroad Commission. The hearings examiner, after hearing the appeal, issued a proposal for decision on April 28, 2015 recommending that Atmos receive a system-wide increase of \$42.9 million for its 2014 RRM.
- (D) While the 2014 RRM denial appeal was pending, Atmos filed its 2015 RRM with the City on February 27, 2015, seeking a proposed system-wide increase of \$28.7 million.
- (E) After analyzing data furnished by Atmos and interviewing Atmos management regarding the RRM filings for 2014 and 2015 as informed by the hearing examiner's proposal for decision and likely outcome for final decision by the RRC, ATM's rate experts and counsel recommend that the ATM municipalities settle the 2014 and 2015 RRM rates on terms that permit Atmos to implement a combined \$65.7 million system-wide rate increase in accordance with the attached tariffs, set forth as Attachment A,

along with the proof of revenues set forth as Attachment B, and Attachment C, setting forth the beginning balance for purposes of determining pension and other post-employment benefits to be recovered in the next RRM filing.

**PART 2.** The tariffs in Attachment A are hereby approved to become effective on June 1, 2015. Attachment B (the proof of revenues) and Attachment C, setting forth the beginning balance for purposes of determining pension and other post-employment benefits to be recovered in the next RRM filing, are approved.

**PART 3.** A copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Christopher Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1600, Dallas, Texas 75240 and Mr. Alfred R Herrera, Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, Texas 78701.

**PART 4.** This ordinance takes effect on \_\_\_\_\_, 2015.

**PASSED AND APPROVED**

\_\_\_\_\_, 2015      §  
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Steve Adler  
Mayor

APPROVED: \_\_\_\_\_  
Anne L. Morgan  
Interim City Attorney

ATTEST: \_\_\_\_\_  
Jannette S. Goodall  
City Clerk