

RESOLUTION NO. _____

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

WHEREAS, the City of Austin (City) is a regulatory authority under the Gas Utility Regulatory Act (GURA) with exclusive original jurisdiction over the rates, operations, and services of Atmos Energy Corporation – Mid-Tex Division (Atmos) within the City; and

WHEREAS, the City has participated in prior cases regarding Atmos as part of a coalition of cities known as the Atmos Texas Municipalities (ATM), including Railroad Commission Gas Utilities (GUD) Docket No. 9400, numerous filings by Atmos pursuant to Section 104.301 of GURA, GUD Docket No. 9670 and GUD Docket No. 9762; and

WHEREAS, on February 11, 2008, ATM and Atmos entered into a settlement agreement that provided for a new mechanism to review changes in rates known as the “Rate Review Mechanism” or “RRM”, and the City approved the settlement agreement on March 6, 2008, by Resolution No. 20080306-075; and

WHEREAS, pursuant to the new regulatory mechanism Atmos filed for an increase in rates of approximately \$42 million, to be effective on October 1, 2008; and

WHEREAS, the RRM is a three-year experiment aimed at reducing rate case expenses and encouraging a more collaborative effort at arriving at just and reasonable gas rates; and

WHEREAS, for over three months the experts representing ATM have been analyzing data and interviewing Atmos' management; and

WHEREAS, ATM's experts have concluded that slightly less than half of the amount requested by Atmos should be put into rates; and

WHEREAS, Atmos has agreed to reduce its requested increase in rates by more than 50 percent; and

WHEREAS, the Steering Committee of ATM and its lawyers recommend approval of the attached tariffs, set forth as Attachment A, **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Section 1. The Council approves the amended tariffs in Attachment A.

Section 2. The Council has relied on the proof of revenues in Attachment B, the average bill calculations, and the document entitled “Rate Review Mechanism – 1st Year of Effective Period – Allocation of Settlement Increase by Customer Class” in connection with the adoption of the amended tariffs.

Section 3. This resolution shall become effective from and after its passage with rates authorized by the Attached Tariffs to be effective in accordance with the terms of the Settlement Agreement approved by Resolution No. 20080306-075.

ADOPTED: _____, 2008 **ATTEST:** _____
Shirley A. Gentry
City Clerk