

RESOLUTION NO.

WHEREAS, on or about September 17, 2010, Atmos Pipeline – Texas (APT), a division of Atmos Energy Corporation, filed with the Railroad Commission of Texas (“RCT”) a request to increase its city gate service (CGS) rates and its pipeline transportation (PT) rates; and

WHEREAS, APT’s request will increase revenues by approximately \$38.9 million but because of the manner in which APT proposes to recover the increase from its wholesale customers, rates APT charges to Atmos Energy Corporation – Mid-Tex Division, will increase by about \$43 million, which represents an increase of approximately 41.2% in the CGS rate, which will ultimately be recovered from retail customers including Austin customers; and

WHEREAS, APT is requesting a return on equity of 12.75%, which is materially higher than any utility has requested or that the RCT has approved; and

WHEREAS, APT seeks formal approval of rate-based recovery for \$482 million in investments made during January 2003 through March 2010; and

WHEREAS, several accounting adjustments during that time period related to APT’s operation and maintenance expenses that APT proposes, require detailed examination; and

WHEREAS, as part of a larger corporation, APT’s proposed CGS rate increase raises issues regarding APT’s affiliate transactions like those with Atmos Energy Corporation – Mid-Tex Division; and

WHEREAS, the City of Austin does not have original jurisdiction over Atmos Pipelines City-gate rates, but does have standing to participate in the rate case; and

WHEREAS, under Section 103.022 of the Utility Code, the City is entitled to have its expenses for participating in the rate case reimbursed by Atmos; and

WHEREAS, the City has participated as a member of a coalition of cities known as the Atmos Texas Municipalities in matters regarding Atmos Mid-Texas and has benefited from its participation and membership in such coalition; **NOW, THEREFORE**,

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

The City is authorized to participate as a member of the coalition of cities known as the Atmos Texas Municipalities to intervene in the Railroad Commission of Texas rate case docket and any appeal of the docket or rate case decision to ensure that rates charged in the City of Austin resulting from APT's proposed rate increase are just, reasonable, and proper.

ADOPTED: _____, 2010

ATTEST: _____

Shirley A. Gentry
City Clerk