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) The City of Austin ("City"), as a regulatory authority under the Gas Utility Regulatory Act ("GURA"), has exclusive original jurisdiction over the rates, operations, and services of gas utilities within the municipality, including those of Atmos Energy Corporation – Mid-Tex Division ("Atmos").

(B) The City works in coalition with a group of other municipalities that also regulate Atmos, the coalition known as Atmos Texas Municipalities ("ATM").

(C) On April 1, 2010 Atmos filed for an increase in rates, pursuant to the Rate Review Mechanism ("RRM"), of approximately $15.6 million, comprised of about a $9 million base rate increase and about $6.6 million for costs necessary to replace dangerous and aging steel service lines.

(D) After months of review and examination of the rate increase justification, ATM's experts were successful in getting Atmos to modify its requested net rate increase to only include the increase of $6.6 million for the steel pipe replacement program.

(E) The Steering Committee of ATM and its lawyers recommend approval of the attached tariffs, set forth as Attachment A, that include a monthly increase of the residential customer charge of $0.35 and an increase in the commercial customer charge of a $1.22 to pay for the steel service line replacement program for this last year.

(F) The tariffs and specific rates and charges appended to this ordinance are reasonable and in the public interest.

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PART 2. The tariffs appended to this ordinance as "Attachment A" for natural gas service provided by Atmos within the City of Austin, are reasonable and are hereby approved.

PART 3. This ordinance takes effect on _____.

PASSED AND APPROVED

§
§
_____, 2011 § _____
Lee Leffingwell
Mayor

APPROVED: _____ ATTEST: _____
Karen Kennard
City Attorney

Shirley A. Gentry
City Clerk

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