ORDINANCE NO.

AN ORDINANCE DENYING A RATE INCREASE REQUESTED BY ATMOS ENERGY CORPORATION ON OR ABOUT JANUARY 31, 2012.

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

PART 1. Findings. The Council finds:

- (A) Atmos Energy Corporation ("Atmos" or "Company") filed a Statement of Intent with the City on or about January 31, 2012 to increase its revenue and change its rate schedules within the corporate limits of the City, specifically to increase its systemwide, annual revenue requirement by approximately \$49 million, which is an increase in base-rate exclusive of cost of gas of approximately 12 percent.
- (B) The City is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, § 103.001 et seq. of GURA has exclusive original jurisdiction over Atmos' rates, operations, and services within the municipality.
- (C) The City approved Ordinance Nos. 20120301-029 and 20120524-072 suspending Atmos' proposed effective date for its rate increase ninety days beyond Atmos' proposed effective date.
- (D) The City has concluded that the rate increase proposed by Atmos is unreasonable and Atmos has not consented to appropriate adjustments to its proposed rate increase and that Atmos has failed to prove that its request is reasonable.
- **PART 2.** The findings set out above are in all things approved and incorporated herein as if fully set forth.
- **PART 3.** The City denies the rate increase Atmos filed on or about January 31, 2012.
- **PART 4.** A copy of this ordinance shall be sent to Atmos Energy Mid-Tex, care of Mr. David Park, Vice President Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, Texas 78701.

PASSED ANI	O APPROVED	
	, 2012	\$ \$ \$ Lee Leffingwell Mayor
APPROVED: _	Karen M. Kennard City Attorney	ATTEST: Shirley A. Gentry City Clerk