

ORDINANCE NO. 20170518-xxx

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) Section 103.021 of the Texas Utilities Code authorizes the City to obtain information from Atmos as necessary to make a determination of the basis for Atmos' proposed increase in rates.
- (D) The Atmos rate filing for 2017, or Rate Review Mechanism (RRM), that it filed with the ATM municipalities requested a system-wide increase of \$57.4 million.
- (E) After analyzing data furnished by Atmos, interviewing Atmos management regarding the 2017 RRM filing, and considering the likely outcome if Atmos were to appeal to the Texas Railroad Commission, ATM's rate experts and counsel recommend that the ATM municipalities agree to and adopt 2017 RRM rates on terms that permit Atmos to implement a combined \$48 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 rate filing.

PART 2. The tariffs in Attachment A are hereby approved to become effective on June 1, 2017. Attachment B (revenue requirement proof) and Attachment C, setting forth the beginning balance for purposes of determining pension and other post-employment benefits to be recovered in the next rate 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 _____, 2017.

PASSED AND APPROVED

_____, 2017

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Steve Adler
Mayor

APPROVED: _____

Anne L. Morgan
City Attorney

ATTEST: _____

Jannette S. Goodall
City Clerk