

ORDINANCE NO.

AN ORDINANCE APPROVING INCREASED RATES FOR NATURAL GAS CHARGED BY ATMOS ENERGY CORPORATION – MID-TEX DIVISION AND APPROVING AN AGREEMENT ESTABLISHING REVISED TARIFFS AND A MECHANISM FOR RATE REVIEW OVER THE NEXT TWO YEARS.

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

PART 1. FINDINGS.

The city council finds that:

- (A) the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) having exclusive original jurisdiction over Atmos Energy Corporation – Mid-Tex Division (“Atmos”) rates, operations, and services within the City and has participated in prior cases regarding Atmos as a part of a coalition of cities known as the Atmos Texas Municipalities (“ATM”); and
- (B) on April 15, 2010, Atmos filed a for a rate increase and requested an two year extension of its Rate Review Mechanism (“RRM”) that was approved by City Ordinance No. 20080306-075 with modifications; and
- (C) as a result of negotiations between the ATM cities and Atmos, a recommended settlement has been agreed to by ATM and is now being presented to the City for its individual approval.

PART 2. AGREEMENT FOR RATES.

- (A) The City agrees that the Settlement Agreement, attached hereto and incorporated herein as Attachment A, is in the public interest and is hereby approved in all respects.
- (B) The City finds that the new tariffs, which are incorporated into the Settlement Agreement and collectively attached hereto as Attachment B, are just and reasonable and are hereby approved subject to a prudence review of the steel pipe replacement expenditures in the next general rate proceeding.

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PART 4. This ordinance takes effect on _____, 2010.

_____, 2010

Lee Leffingwell
Mayor

ATTEST: _____
Shirley A. Gentry
City Clerk