

ORDINANCE NO. _____

**AN ORDINANCE ADOPTING SETTING RATES AND ESTABLISHING
TARIFFS FOR THE PROVISION OF NATURAL GAS SERVICE BY ATMOS
ENERGY CORPORATION WITHIN THE CITY OF AUSTIN; DECLARING
THIS ORDINANCE TO BE A FINAL DETERMINATION OF RATES;
REQUIRING ACCEPTANCE BY ATMOS ENERGY CORPORATION OF THE
RATES PRESCRIBED HEREIN; AND ESTABLISHING AN EFFECTIVE
DATE.**

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

PART 1. The Council finds:

- (A) On June 1, 2018, Atmos Energy Corporation ("Atmos") filed with the City of Austin ("City") and the other Texas municipalities served by Atmos its Statement of Intent to increase its system-wide annual revenue by approximately \$46 million.
- (B) In accordance with the Gas Utility Regulatory Act, Utilities Code, §104.107, the City suspended the Atmos' proposed effective date to October 4, 2018.
- (C) Atmos provided public notice of its proposed increase in rates in accordance with the Gas Utility Regulatory Act.
- (D) Upon review and consideration of the proposed request, the City participating with other municipalities served by Atmos, determined that the requested rate increase was unreasonable and that instead, a system-wide increase of \$12.81 million was reasonable and consistent with the requirements of the Gas Utility Regulatory Act, and will yield a fair return upon the adjusted value of Atmos' property used and useful in rendering service to the public.
- (E) The costs of the City's rate consultants, attorneys, and technical staff to conduct investigations, present evidence, advise and represent the City in these rate-making proceedings agreement are reasonable and necessary expenses.

PART 2. The City is the regulatory body with exclusive original jurisdiction over the rates, operations, and services of Atmos within the City.

PART 3. The rates, tariffs, charges, schedules, appended to this ordinance as "Attachment 1" are reasonable and in the public interest and are hereby approved and adopted by this ordinance to be effective on October 4, 2018, and that Atmos is directed to file with the City a tariff consistent with this determination not later than the effective date of this ordinance.

PART 4. An increase in the amount of \$12.81 million in Atmos' annual base-rate revenue, as determined on a system-wide basis, is approved within the City.

PART 5. The City denies Atmos' request for rates, tariffs, and charges as proposed in its Statement of Intent and rate increase request filed with the City on or about June 1, 2018.

PART 6. This ordinance takes effect on _____, 2018.

PASSED AND APPROVED

_____, 2018 §
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_____, 2018 §

Steve Adler
Mayor

APPROVED: _____
Anne L. Morgan
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk