

RESOLUTION NO. 12-16

A RESOLUTION BY THE CITY OF COMMERCE, TEXAS, ("CITY") DENYING A RATE INCREASE REQUESTED BY ATMOS ENERGY CORPORATION ON OR ABOUT JANUARY 31, 2012; DETERMINING THAT THE MEETING COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, Atmos Energy Corporation ("Atmos" or "Company") filed a Statement of Intent with the City on or about January 31, 2012 to change increase its revenue and change its rate schedules within the corporate limits of the City, specifically to increase its system-wide, annual revenue requirement by approximately \$49.0 million which is an increase in base-rate exclusive of cost of gas of approximately 12%; and

WHEREAS, 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; and

WHEREAS, the City approved a Resolution suspending Atmos' proposed effective date for its rate increase ninety days beyond Atmos' proposed effective date; and

WHEREAS, on or about April 25, 2012, Atmos extended its proposed effective date from March 6, 2012 to March 13, 2012, which has the effect of extending the statutory deadline from June 4, 2012 to June 11, 2012, subject to the City's right to continue a hearing in progress; and

WHEREAS, 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;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. The City denies the rate increase Atmos filed on or about January 31, 2012.

Section 3. A copy of this Resolution 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.

Section 4. This meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. This Resolution shall become effective from and after its passage.

PASSED AND APPROVED this 15 day of May 2012.



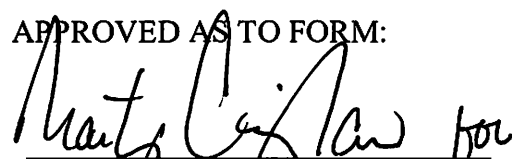
MAYOR

ATTEST:



CITY SECRETARY

APPROVED AS TO FORM:



CITY ATTORNEY